

• executive summary

This section provides an overview of the budget and County government financing. Included is a statement of the County's mission, vision, and values; descriptions of new service districts; the history of millage rates and property tax digest; financial highlights; key priorities and challenges; a history of authorized positions combined for all funds; policies and procedures; an explanation of the budget process; the budget resolution summary; the County's fund structure and overall financial status; and debt management information.

January 3, 2013

Dear Stakeholders of Gwinnett County:

It is our privilege to present the 2013 fiscal year budget and financial plan as unanimously adopted by the Gwinnett County Board of Commissioners on January 3, 2013. This comprehensive document is the result of Residents, Elected Officials, Constitutional Officers, Administration, and County Staff working together to prepare a financial plan that allows us to carry out the County's Mission, Vision, and Values, ensuring the highest standards of service to the community.

Overview

In today's challenging economic landscape, many of our residents and businesses are facing difficult financial times. The County is also experiencing financial challenges due to the decline in the ad valorem tax digest, which represents a decrease in revenue needed to fund services. For many years, Gwinnett experienced a growing tax digest; however, the digest began to decline in 2009 and is projected to continue declining through 2013.

With these financial challenges in mind, the Chairman's Budget Review Team members, Houston Bass, Mark Brock, David Crews, Lois Love, Marian Lucia, and Herman Pennamon and participating departmental and agency representatives, made recommendations for the 2013 budget. The prevailing themes that emerged during the 2013 budget planning process were: planning for a reduction in revenue due to a decline in the property tax digest, creating new service districts, preserving core services, continuing the comprehensive five-year financial review process, and maintaining fund balance reserves.

Additionally, the incorporation of the City of Peachtree Corners had a financial impact on the County's 2013 budget. The County anticipates a decline in revenues of approximately \$2 million in 2013 as a result of the city's incorporation.

The 2013 budget provides funding to handle the implementation of state legislation including tax reform and judicial reform, but very little else in the way of improvements could be funded. Pay raises for County employees are not included in the budget, and the County will continue a policy of holding vacant positions unfilled for at least 90 days.

Additional information related to the fiscal year 2013 budget process can be found on the County's website at www.gwinnettcounty.com on the [Your Money](#) page.

A history of fiscal responsibility and the ability to anticipate change has enabled Gwinnett County to maintain high levels of service despite economic and legislative uncertainty. Since 1997, the County has maintained the highest standards of excellence in its financial practices, which has resulted in AAA credit ratings from all three of the credit rating agencies. The County strives to maintain core services and the quality of life our residents and businesses enjoy through the delivery of efficient, effective services and conservative budgeting practices associated with the proactive management of the County's financial plan.



Mission

The Gwinnett County Government will deliver superior services in partnership with our community.

Vision

Gwinnett County sets the standard as a dynamic, vibrant community where all people can enjoy essential economic opportunities, safe neighborhoods, plentiful greenspace, and recreational facilities. We are committed to partnering with others in our community who share a dedication to making life better for our citizens.

Values

- We believe in honesty, fairness, and respect for all.
- We believe in stewardship of public resources, protection of the environment, and that all citizens should expect to live and work in a clean and secure community.
- We value excellence, creativity, innovation, and new technologies and ideas.
- We believe that our government must be customer-focused and fiscally responsible and deliver services that are among the best in the nation.

2013 Budget Themes

- Plan for projected reduction in revenue due to a decline in the property tax digest
- Create new service districts
- Preserve core services
- Continue comprehensive five-year financial review process
- Maintain fund balance reserves



Fire and Emergency Services District

Includes:

Unincorporated Gwinnett County
 Auburn • Berkeley Lake • Braselton
 Buford • Dacula • Duluth • Grayson
 Lawrenceville • Lilburn • Norcross
 Peachtree Corners* • Rest Haven
 Snellville • Sugar Hill • Suwanee



Loganville Emergency Medical Services District

Includes:

Loganville



Police Services District

Includes:

Unincorporated Gwinnett County
 Berkeley Lake • Buford • Dacula
 Grayson • Peachtree Corners*
 Rest Haven • Sugar Hill



Development and Enforcement Services District

Includes:

Unincorporated Gwinnett County



General, Recreation, and Bond Funds

Includes:

Unincorporated Gwinnett County
 All 16 Cities

* Peachtree Corners incorporated after Gwinnett County and its cities entered the SDS agreement.

Service Delivery Strategy (SDS)

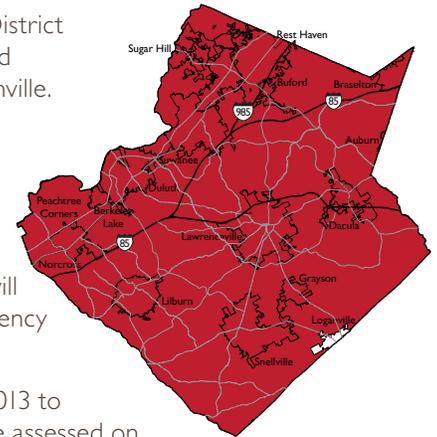
State law requires that cities and counties operate under a SDS agreement that defines the services to be provided by each jurisdiction and sets out how those services are funded.

After several years of litigation and a court order, Gwinnett County and 15 cities reached a negotiated settlement in early 2012. The settlement allowed all of the parties to have input into the final outcome versus being required to implement the court order. As a result, the County and its cities entered a new SDS agreement that affects the way the County budgets and provides some services. This agreement created four new service districts that became effective on January 1, 2013. The services districts include all of the different areas in Gwinnett County that receive designated services provided by county government. The creation of new service districts required a \$51 million transfer in 2013 from the General Fund to the newly created service districts (excluding Loganville Emergency Medical Services District) to establish a 3-month operating reserve in accordance with county policy.

The new service districts change the way property owners will pay for county-provided services. Starting in 2013, the Gwinnett County property tax bill will reflect millage rates based on where a property is located and what services are provided by county government. In other words, a dedicated millage rate will be paid by the residents who benefit from specific county-provided services.

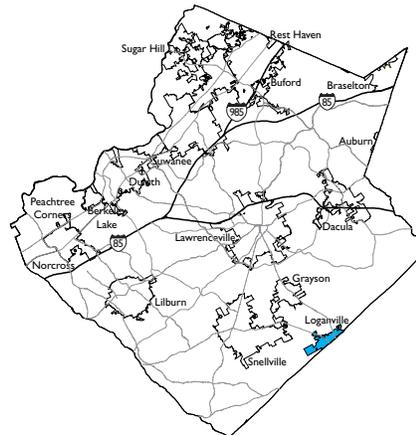
Fire and Emergency Medical Services (EMS) District

- The Fire and Emergency Medical Services District includes all properties within unincorporated Gwinnett County and all cities except Loganville.
- Gwinnett County is responsible for providing fire and emergency medical protection within this district.
- The city of Loganville operates its own fire department, but residents and businesses will continue to receive county-provided emergency medical services.
- A property tax will be levied beginning in 2013 to support this service district. This levy will be assessed on each property within the district and will be itemized on the property tax bill.



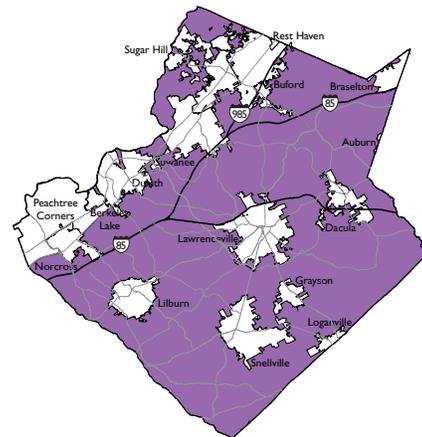
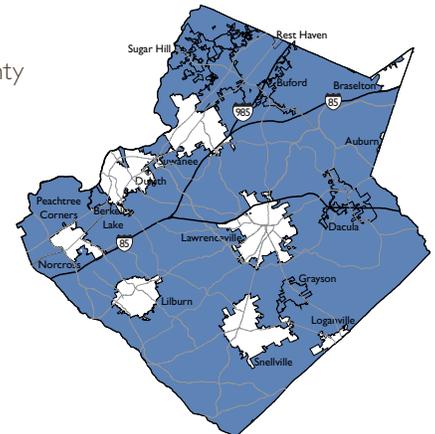
Loganville Emergency Medical Services (EMS) District

- The Loganville Emergency Medical Services District includes all properties within the portion of incorporated Loganville that lie within Gwinnett County.
- Gwinnett County is responsible for providing emergency medical services within this district, which is funded through a contractual agreement with the County.
- At this time, no millage rate is associated with this service district.



Police Services District

- The Police Services District includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments (Berkeley Lake, Buford, Grayson, Dacula, Peachtree Corners, Rest Haven, and Sugar Hill).
- Gwinnett County is responsible for providing police protection within this district.
- A property tax will be levied beginning in 2013 to support this service district. This levy will be assessed on each property within the district and will be itemized on the property tax bill.



Development and Enforcement Services District

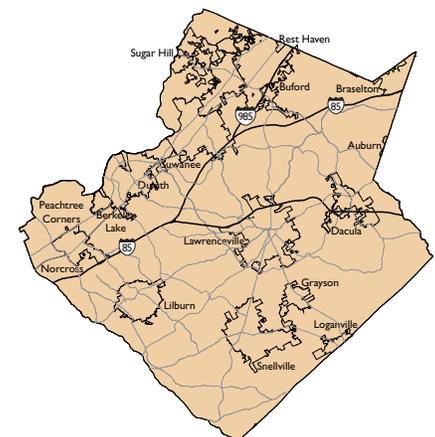
- The Development and Enforcement Services District includes all properties within unincorporated Gwinnett County.
- Gwinnett County is responsible for providing short-term planning and code enforcement services within this district.
- A property tax will be levied beginning in 2013 to support this service district. This levy will be assessed on each property within the district and will be itemized on the property tax bill.

General Fund

- The County's General Fund will continue to support services that benefit everyone countywide, such as sheriff, jail, courts, correctional facility, tax commissioner, health and human services, elections, and transportation.
- The General Fund includes all properties located within Gwinnett County.
- The County will continue to levy a countywide property tax to support the General Fund. This levy will be itemized on the property tax bill.

Recreation Fund

- The voter-approved Recreation Fund supports and maintains parks and recreation programs and facilities countywide.
- The Recreation Fund includes all properties located within Gwinnett County.
- The County will continue to levy a countywide property tax to support the Recreation Fund. This levy will be itemized on the property tax bill.



Bond Fund

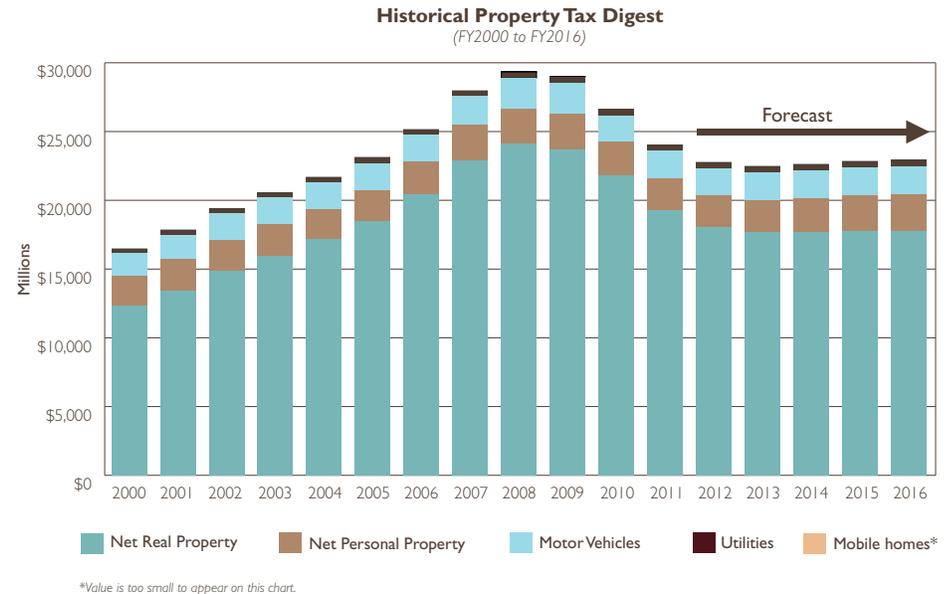
- The Bond Fund repays debt on the voter-approved expansion of the jail, also known as the Gwinnett County Pre-Trial Detention Center.
- The Bond Fund includes all properties located within Gwinnett County.
- The County will continue to levy a countywide property tax to support the Bond Fund. This levy will be itemized on the property tax bill.



Property Taxes

As previously mentioned, the five-year decline in the property tax digest has presented significant financial challenges for the County.

Historical Property Tax Digest



The County has budgeted property taxes conservatively to incorporate fluctuations in both the estimated digest and collection rate assumptions. When the 2012 budget was developed, the digest was estimated to decline approximately 8 percent from 2011, whereas current estimates approximate the final digest decline to be closer to 5 percent. As a result, property tax revenues came in higher than expected in 2012, and the County increased the budget for property taxes in 2013. It is important to note, however, that the property tax digest is expected to drop 1.9 percent in 2013, marking five years of decline. Overall, with the projected drop in 2013, the digest will have declined just over 20 percent, or \$7 billion, since 2008. About one-third of the total revenue for all operating funds is derived from property taxes.

Commissioners will set the millage rate for property taxes in the summer after assessments and appeals are completed in the spring. A millage rate will be associated with each of the new service districts; rates will depend on a property's location, which determines what services are provided by the County.

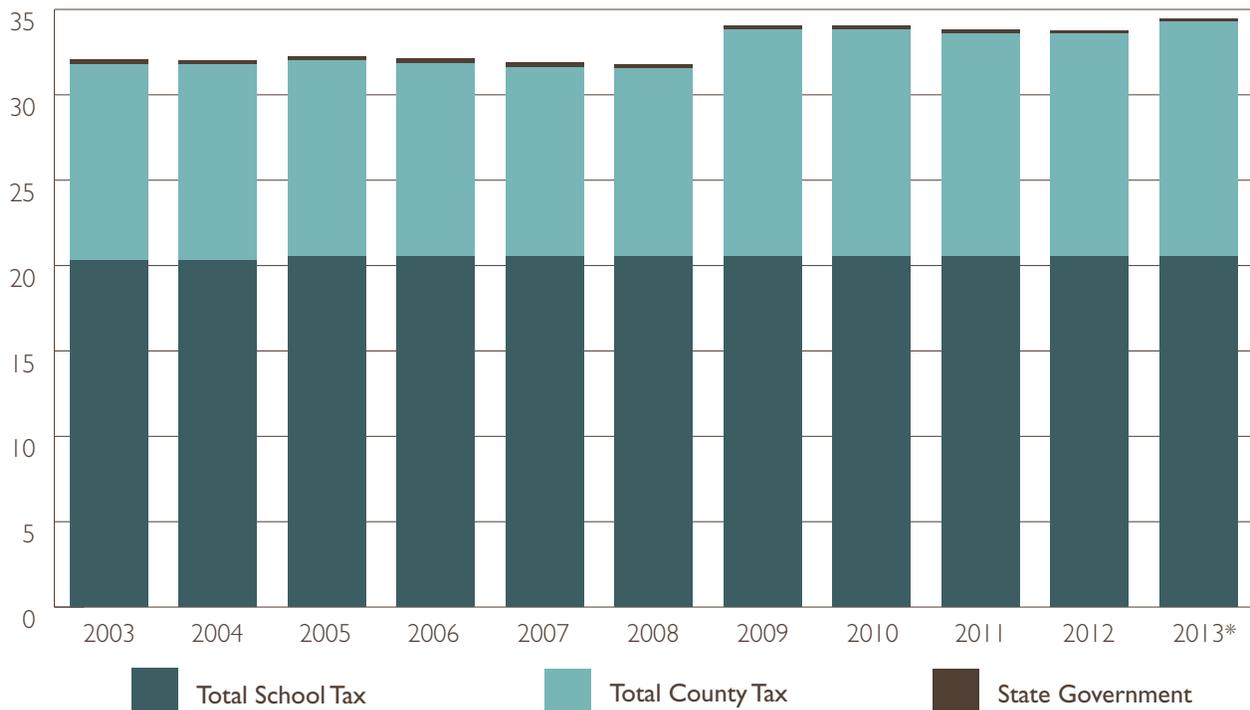
Tax-Related Funds

Real and Personal Property Tax Rates FY 2003 – 2013 (mills)

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
General Fund	8.29	8.27	10.14	10.00	9.81	9.72	11.78	11.78	11.78	11.78	7.40
Fire Fund	1.87	1.87	–	–	–	–	–	–	–	–	–
Fire and EMS District	–	–	–	–	–	–	–	–	–	–	3.20
Police District	–	–	–	–	–	–	–	–	–	–	1.60
Development and Enforcement District	–	–	–	–	–	–	–	–	–	–	0.36
Recreation Fund	0.85	0.84	0.84	0.82	0.80	0.79	1.00	1.00	1.00	1.00	0.95
G.O. Bond Fund	0.24	0.24	0.24	0.23	0.23	0.22	0.23	0.23	–	–	–
G.O. Bond Fund II	0.25	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Total County Tax	11.50	11.47	11.47	11.30	11.08	10.97	13.25	13.25	13.02	13.02	13.75
School M & O	18.87	18.87	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
School Bonds	1.43	1.43	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Total School Tax	20.30	20.30	20.55								
State Government	0.25	0.20	0.15								
Total Property Tax	32.05	32.02	32.27	32.10	31.88	31.77	34.05	34.05	33.82	33.77	34.45

* The 2013 millage rate is an estimate. The actual rate may be different upon adoption due to possible changes in property tax values that occur in 2013. Also, see pages 2 – 3 for information regarding service districts in Gwinnett County.

Total Property Tax Rates FY 2003 – 2013 (mills)



* The 2013 millage rate is an estimate. The actual rate may be different upon adoption due to possible changes in property tax values that occur in 2013. Also, see pages 2 – 3 for information regarding service districts in Gwinnett County.



Financial Highlights

The fiscal year 2013 adopted budget includes an operating budget of \$1.06 billion and a capital budget totaling \$404.7 million.

The table below provides a summary of the adopted budget by fund type.

Summary of Fiscal Year 2013 Budget by Fund Type

	Operating Budget	Capital Budget	Total	% of Total
Tax-Related Funds	\$ 576,503,567	\$ 34,702,368	\$ 611,205,935	40%
Special Revenue Funds	\$ 40,003,058	\$ 198,464,643	\$ 238,467,701	16%
Enterprise Funds	\$ 376,992,493	\$ 175,475,273	\$ 552,467,766	37%
Internal Service Funds	\$ 111,880,695	\$ -	\$ 111,880,695	7%
Total Gross Budget	\$ 1,105,379,813	\$ 408,642,284	\$ 1,514,022,097	
Less Indirect Cost	\$ 46,613,031	\$ 3,912,194	\$ 50,525,225	
Total Net Budget	\$ 1,058,766,782	\$ 404,730,090	\$ 1,463,496,872	

Tax-related funds include the General, General Obligation Debt Service, Fire and EMS, Police, Development and Enforcement, Loganville EMS, Recreation, Capital Project, and Vehicle Replacement Funds. The adopted General Fund operating budget totals \$284.4 million. The tax-related funds have an operating budget of \$576.5 million and a capital budget of \$34.7 million.

Special revenue funds account for restricted and committed revenues and have an operating budget of \$40.0 million and a capital budget of \$198.5 million. These funds include capital projects related to Special Purpose Local Option Sales Tax (SPLOST) proceeds.

Enterprise funds account for \$377.0 million of the total operating budget and \$175.5 million of the total capital budget. These funds consist of operations funded primarily from user fees and charges. Enterprise operations are managed and operated much like private sector businesses. They require significant investment in plant, equipment, and infrastructure to deliver services.

Internal service funds provide services exclusively for county operations, including auto liability, fleet management, group self-insurance, risk management, workers' compensation, and administrative support. The adopted internal service funds budget totals \$111.9 million.

The following table shows the history of the budget each year for the last four years:

Year	Operating Budget**	% chg.	Capital Budget**	% chg.	Total Budget	% chg.
2013	\$ 1,058,766,782	16.0%	\$ 404,730,090	-21.6%	\$ 1,463,496,872	2.4%
2012*	\$ 913,081,823	-1.9%	\$ 516,203,317	-12.9%	\$ 1,429,285,140	-6.2%
2011*	\$ 930,600,259	-7.1%	\$ 592,809,017	7.0%	\$ 1,523,409,276	-2.0%
2010*	\$ 1,001,326,590	13.1%	\$ 553,772,270	-16.9%	\$ 1,555,098,860	0.2%

* Mid-year Reconciliation Budget

** Excluding indirect costs

The total operating budget has increased by \$145.7 million, or 16%. This increase is due to significant, one-time appropriations in the 2013 budget related to the creation of new service districts and defeasance of outstanding debt. If those one-time appropriations are excluded, the total operating budget is \$923, an increase of \$10 million or 1 percent from the 2012 reconciliation budget.

Key Priorities and Challenges

We have already discussed two of the major challenges for the 2013 budget: the declining property tax digest and the SDS settlement. Other priorities and challenges are discussed below.

Impact of Legislation

State-mandated appropriations present budget challenges for Gwinnett County each year. The following table outlines the impact of legislative changes in 2013:

Fund	Description	Appropriation Amount
General	District Attorney – House Bill 1176 – Criminal Justice Reform (3 positions)	\$ 299,149
General	Tax Assessor – House Bill 386 <i>Tax Reform Act</i>	175,000
General	Solicitor General – House Bill 1176 – Criminal Justice Reform – Criminal Investigator	64,887
General	Tax Commissioner – House Bill 386 <i>Tax Reform Act</i>	500,000
General	Tax Commissioner – Distribution of new license plates	170,991
Crime Victims	Solicitor General – House Bill 1176 – Criminal Justice Reform – Criminal Investigator	53,885
Total New Appropriations from Legislation Impacts		\$ 1,263,912

The Budget Planning Process

The Business Planning Process connects strategy and core services to the budget and the decision making process.

The budget is the annual financial plan resulting from the business planning process. During the business planning process each department examines their services to determine if the services are:

- Aligning with the strategic direction of the County, as defined in Gwinnett's 2030 Unified Plan
- Providing services "core" to the mission of the government
- Achieving outcomes relative to the resources allocated

This process provides the basis for all stakeholders to understand the expected results and for policymakers to make decisions in a more informed manner. In light of the economic downturn, the Business Planning Process provides the framework needed to appropriately plan for the allocation of limited resources.



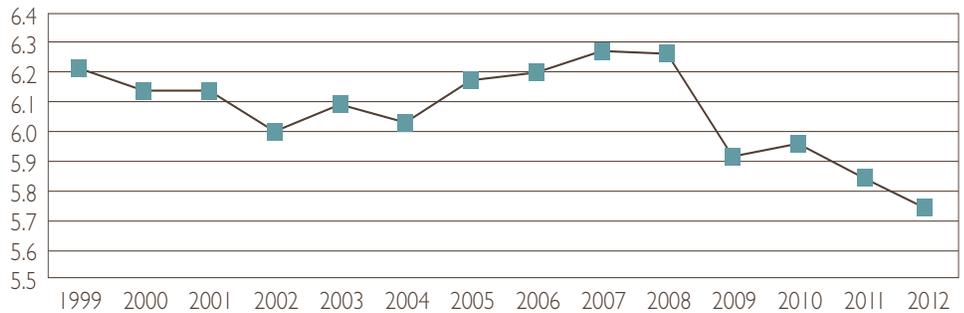
Staffing Levels and Population Growth

While Personal Services represents a large portion of the County's operating budget, the ratio of authorized positions to population continues to be lower than it was 14 years ago and has declined significantly since 2008. This presents the challenges of maintaining the same level of services with fewer employees and less funding for other operational costs. See Section IV – Departmental Information for more specific information on each department's challenges and goals.

Gwinnett County's population growth, taken in combination with less funding and fewer employees, creates an additional challenge. Even as the economy slowed, the County's population continued to increase. Every year the County added thousands of new residents, therefore the demand for services and facilities grew at the same time revenues were dropping.

Ratio of Authorized Positions Per 1,000 Population

Sources: Gwinnett County Department of Human Resources and U.S. Census. 2012 population estimate from Moody's Analytics Forecast.

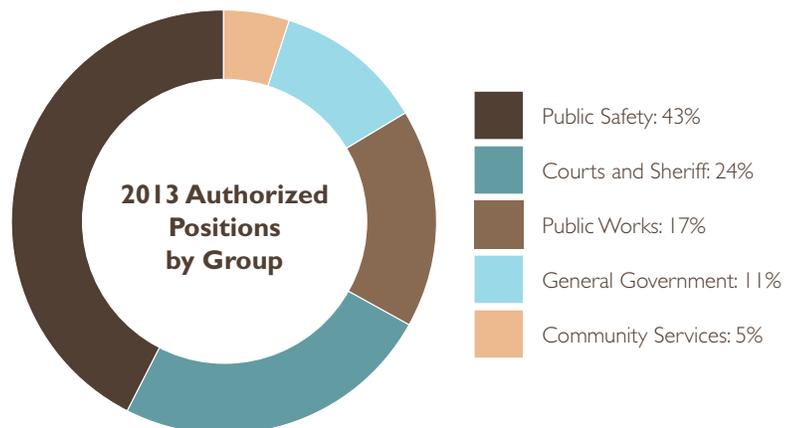


Gwinnett County Authorized Position History

Agency	Group	As of December 31,						2013 Adopted*
		2007	2008	2009	2010	2011	2012	
Clerk of Court	Courts & Sheriff	97	99	106	107	105	105	105
Clerk of Recorder's Court	Courts & Sheriff	17	17	17	17	17	17	17
Community Services	Community Services	251	269	229	245	242	241	240
Corrections	Public Safety	142	142	125	139	134	134	134
County Administration	General Government	34	34	38	35	35	35	35
District Attorney	Courts & Sheriff	89	97	103	103	103	103	107
Financial Services	General Government	176	172	124	119	124	125	115
Fire Services	Public Safety	757	766	784	844	844	844	844
Human Resources	General Government	32	32	25	35	36	37	36
Information Technology	General Government	0	78	109	116	116	116	116
Judiciary/Court Administration	Courts & Sheriff	88	92	94	94	98	98	98
Juvenile Court	Courts & Sheriff	61	61	61	61	61	62	61
Law	General Government	18	18	10	14	16	16	16
Planning & Development	Public Works	153	154	66	81	76	60	64
Police Services	Public Safety	1013	1048	1041	1066	1065	1065	1065
Probate Court	Courts & Sheriff	22	22	22	21	21	21	21
Water Resources	Public Works	608	623	608	577	576	593	593
Recorder's Court Judges	Courts & Sheriff	9	9	9	9	9	9	9
Sheriff	Courts & Sheriff	686	688	701	706	706	706	706
Solicitor	Courts & Sheriff	53	54	54	54	54	54	56
Support Services	General Government	195	112	103	108	106	104	114
Tax Commissioner	General Government	118	118	118	118	118	118	118
Transportation	Public Works	177	177	156	148	143	145	144
Total		4,796	4,882	4,703	4,817	4,805	4,808	4,814
Unallocated	General Government	2	11	11	11	10	4	10

*Includes frozen positions in County Administration (1), Fire Services (15), Juvenile Court (4), and Police Services (25).

Positions are full-time regular employees and permanent part-time employees. Grants and capital positions are included in this chart.





Accrued Liabilities

A challenging area for the County, like other governments, has been funding our Defined Benefit (DB) Pension and Other Post Employment Benefits (OPEB) plans. Beginning in 2007, the County closed the DB pension plan to new employees and committed to amortize the unfunded liability over 20 years, the projected service time of remaining participants. The combination of the challenging investment environment and retirements results in an increased percentage contribution from remaining participants. However, with the County's commitment to reduce the unfunded pension and OPEB liabilities and increase the funding ratio of these plans, budget savings in recent years have been contributed to pay down accrued liabilities.

Workforce Health

Medical studies continue to confirm that employee wellness programs achieve significant returns on investments (ROI). Modest wellness programs attain a ROI of approximately 3:1. More progressive programs, like Gwinnett County's program, achieve higher ROIs. Promotion of the wellness program will continue in 2013 through countywide communications, wellness-related meetings, financial incentives to reward participation, a wellness fair in May, and Lunch & Learns scheduled throughout the year. Since 2009, Wellness and Disease Management services have been provided by Alere, a national leader in the field of health management. The County's contract with Alere expired on December 31, 2012, however, Alere will continue to administer the wellness program until July 1, 2013. Through the Request for Proposal (RFP) process, the County expects to choose a new Wellness Program provider to partner with the County, effective July 1, 2013. Beginning January 1, 2013, Disease Management services will be administered by the health plans – Blue Cross Blue Shield and Kaiser.

One of the services offered by the wellness program is an interactive, user-friendly website with state-of-the-art tools that help educate and motivate members to improve their overall health. Because maintaining good health is less costly than paying for medical treatment, the wellness program encourages proactively addressing medical risk factors before the development of medical symptoms. The program will contribute to lower future health claim costs and improved job presence and performance.

Disease Management services are available to plan members being treated for major illnesses. Among the services are: educational resources; medical support; and assistance in identifying the most reasonable and effective treatment available to the patient, based on the terms of his/her health insurance plan. Participation in the program has a positive impact on the cost and quality of the patient's care.

Health Benefit Costs

The County has been effective in managing the cost of health care benefits. According to a comprehensive 2012 survey conducted by the Kaiser Family Foundation and Health Research & Educational Trust, the average annual cost of health insurance for an American family is \$15,745. Two of the three health plans offered by Gwinnett County for 2013 cost approximately 20 percent less than the national average. The study found that the average American worker pays approximately 27 percent of the cost for employer-sponsored health insurance. County employees pay less than this in all three health plan options offered for 2013.

In 2013 the County will continue to seek new and innovative ways to slow the rise in health care costs. Planning ahead, the County has begun working with consultants at Aon plc to determine the impact of health care reform on the 2014 budget. Recognizing which factors are within our control and educating our employees and retirees about those factors will continue to be our primary focus.

Leadership and Succession Planning

To further identify leadership talent within our organization, Gwinnett County is committed to succession planning. Succession planning is an ongoing process of identifying, assessing, and developing talent to ensure leadership and management continuity throughout an organization. Succession planning is a subset of workforce planning in which critical positions are targeted and staff are prepared to qualify for the targeted positions. The Department of Human Resources continues to monitor the departmental succession plans and works with departments to increase the management bench strength. This strategic planning tool assists county leaders in a changing workforce.

Lean Program

The concept of lean refers to the identification and implementation of improvements and efficiencies that add value to an organization and reduce waste. Administrative functions within any organization represent an opportunity for process improvement. We are applying lean techniques to our business activities to gain efficiencies and reduce costs to sustain our operations and deliver greater value to our residents for their investment within the limitations of our current resources.

Economy

Economists are predicting a stronger economy in 2013, however economic uncertainty is expected to remain for at least the first half of the year. Experts at Kiplinger predict that Gross Domestic Product (GDP) growth in the first quarter is likely to be low (around 1 percent) as financial concerns in Europe and slow growth in China hinder export demand. The economy is expected to experience some relief in the second half of 2013. Most economists are forecasting a GDP growth rate between 2 and 3 percent for the year. Factors contributing to the economic rebound include higher consumer confidence, an improving housing market, and declining unemployment rates.

The U.S. housing market began to see signs of a rebound in the latter half of 2012. In September 2012, housing starts increased 15 percent, which was the highest level since 2008. Recovery of the U.S. housing market is expected to continue in 2013. Economists at Freddie Mac expect home prices to rise by 2 to 3 percent this year. They expect loan rates to remain near historic lows during the first half of the year and to increase slightly during the second half of the year. Freddie Mac forecasters predict that the average rate for a 30-year fixed mortgage will remain at less than 4 percent during the entire year.

Nationally, the unemployment rate remains higher than acceptable. Despite the continuing sluggishness of the job market, the local job market in Gwinnett County has remained relatively strong in comparison to other counties in the metro Atlanta area (Clayton, Cobb, DeKalb, and Fulton counties) and the nation as a whole. In October 2012, Gwinnett County celebrated its 40th consecutive month with the lowest unemployment rate in the metro Atlanta area. At the same time, the County achieved its 40th month with an unemployment rate at or below the national average.



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alignment

Fitch Ratings

Moody's Investors Services

Standard and Poor's

One initiative intended to provide some relief to the U.S. economy in 2013 was the fiscal cliff deal signed by President Obama in January 2013. While the deal offered immediate relief to American taxpayers and the unemployed, the impact on the County remains uncertain.

Continuity of Operations/Continuity of Government

Continuity of Operations (COOP) is a strategic plan that establishes policies and guidance to ensure the execution of the mission-essential functions for Gwinnett County in the event that an emergency threatens or incapacitates operations. The County's COOP plan includes a relocation strategy for selected personnel and functions of any essential facilities of Gwinnett County.

Specifically, COOP is designed to:

- Ensure that Gwinnett County is prepared to respond to emergencies, recover from them, and mitigate against their impacts
- Ensure that Gwinnett County is prepared to provide critical services in an environment that is threatened, diminished, or incapacitated
- Provide timely direction, control, and coordination to county leadership and other critical customers before, during, and after an event or upon notification of a credible threat
- Establish and enact time-phased implementation procedures to activate various components of the "Plan"
- Facilitate the return to normal operating conditions as soon as practical based on circumstances and the threat environment
- Ensure that the COOP plan is viable and operational and is compliant with all guidance documents and best practices
- Ensure that the COOP plan is fully capable of addressing all types of emergencies or "all hazards" and that the mission-essential functions are able to continue with minimal or no disruption during all types of emergencies

Triple AAA

Gwinnett continues to garner AAA debt ratings from all three rating agencies. The triple AAA rating has been maintained since 1997. This has enabled Gwinnett to incorporate a strong capital improvement program, which encompasses both pay-as-you-go financing and debt borrowings. The County acknowledges both the controllable and uncontrollable factors that influence the bond rating. Wherever possible, plans have been implemented to facilitate the maintenance of the triple AAA rating.

Planning Tools

The County has many planning tools in place to help map out its future. Some of these tools include:

- Comprehensive Parks and Recreation Master Plan
- Open Space and Greenways Master Plan
- Water and Wastewater Master Plan
- Comprehensive Transportation Plan
- 2030 Unified Plan
- Capital Improvement Program
- Six-Year Forecast of Revenues and Expenditures
- Population Forecasts

As noted on the previous page, the County has completed its 2030 Unified Plan. This plan will guide the County's growth and infrastructure development for decades. It is an innovative roadmap for smart growth in Gwinnett. The 2030 Unified Plan established updates for the Comprehensive Plan, the Consolidated Plan, and the Comprehensive Transportation Plan. In 2013 the County will initiate a limited update of the 2030 Unified Plan. This will not involve rewriting the whole plan, but there are some areas that need adjustment based on the new economic reality and input from the current commissioners. Recalibrating the plan to reflect current circumstances and the latest data will keep the 2030 Unified Plan fresh and useful.

The County has also developed a number of initiatives to address long-range issues including a Wellness Program, Disease Management Plan, and Succession Planning, as previously discussed. The following paragraphs summarize some of the other important long-term planning tools the County has implemented such as the Solid Waste Master Plan, the Comprehensive Transportation Plan, and the Transit Development Plan.

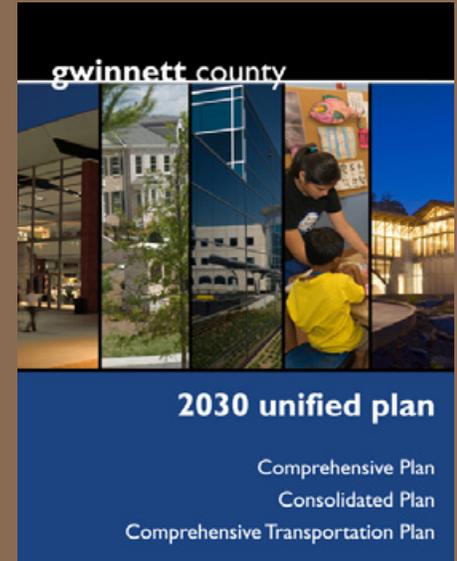
The Solid Waste Master Plan was last amended in 2008 after an intensive 16-month study undertaken by national solid waste experts and an extensive stakeholder participation process in which more than 5,000 local residents participated. The Plan Update addresses provisions that were required by state law and regulations by examining the five core planning elements: waste reduction, waste collection, waste disposal, land limitation, and education and public involvement. The solid waste plan continues to represent an important planning document for Gwinnett County and the participating municipalities.

The Comprehensive Transportation Plan (CTP) informs Gwinnett County officials and its residents on the subject of future transportation needs, projects that address those needs, and the advantages, costs, and funding of those projects. The CTP is paired with the Unified Plan's Comprehensive Land Use Planning element. Together, these two documents define the long term comprehensive vision for growth of the County, and a plan for investment in the County's transportation system and other supporting infrastructure. The current CTP was developed in 2007-2008. The County intends to initiate an update to the CTP in 2014.

The Department of Transportation is working to implement the Transit Development Plan (TDP). The TDP is a five-year plan to support the programming of projects in the Atlanta Regional Commission's Transportation Improvement Program. Thus, it is used to support the justification of projects where the County would be seeking 80 percent Federal aid and 10 percent State aid. In turn, it provides the County with estimates for the 10 percent local funds needed to be programmed in the annual county capital budget. In addition, the TDP provides guidance on the short-term amount of operating budget required to operate the bus system and how much funding the County can expect from Federal and State sources.

The County has already used TDP to revise some transit routes, but unfortunately Gwinnett County Transit is not in a growth mode at this time. Due to current budget conditions, the County is working to increase ridership while maintaining the current level of service without increasing operating costs.

These long-range planning tools guide county officials in making decisions about land use, public service delivery needs, timing and placement of community facilities, and future revenue streams to fund these needs. These plans attempt to identify key long-range issues that are most likely to affect the County's growth and propose strategies to use the County's resources in the most effective manner.





Policies and Practices

The Director of Financial Services provides for the financial needs of the County and is responsible to the Board of Commissioners through the County Administrator and Deputy County Administrator/CFO. The Financial Services Director also acts in a coordinating role for work performed in the Tax Assessor's Office.

Financial areas include Accounting, Long-Term Financial Planning, Budgeting, Grant Administration, Debt Administration, Treasury, Investments, Risk Management, and Purchasing. The County has also established reserve policies for the General Fund, Special Revenue Funds, and Enterprise Funds. Summaries of the significant policies and practices of the financial practice areas and reserve policies are as follows.

Accounting Practices

County management is responsible for establishing and maintaining an internal accounting control system. This system is designed to ensure that the assets of the County are protected from loss, theft, or misuse, and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of an accounting control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits require estimates and judgments by management.

Beginning with fiscal year 2002, Gwinnett County follows Statement No. 34 of the Governmental Accounting Standards Board. In addition to the fund financial statements, governmentwide statements (including all governmental and proprietary funds) are presented on the full accrual basis of accounting along with reconciliation to the fund financial statements. The individual funds, however, continue to be maintained on the traditional basis of accounting depending on the fund type.

Governmental funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. Expenditures are recorded at the time goods or services are received.

Proprietary funds and agency funds are maintained using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time goods or services are received. The focus of accounting for proprietary funds is on determination of net income.

Long-Term Financial Planning Policy

The purpose of the Long-Term Financial Planning Policy is to ensure the County's ongoing financial sustainability beyond a single fiscal year budget cycle in light of our long-term service vision and objectives. Financial sustainability is defined as the County's long-term financial performance and positioning where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services. This policy is intended to describe particular elements or aspects of such long-term planning programs within the County and to memorialize this financial practice into a formal policy.

The policy is based on a commitment to long-term financial planning. The Long-Term Financial Plan (LTFFP) process evaluates known internal and external issues impacting the County's financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas which have, or are expected to have, an impact on the financial condition of the County over the next five years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency. The LTFFP is a constantly changing and evolving document that is routinely updated and presented on an ongoing five-year rolling basis. The LTFFP is incorporated into the County's Business Planning Process and presented to the Chairman, the Board of Commissioners, and staff throughout the formulation of the annual financial plan. The LTFFP is intended to help the County achieve the following:

1. Ensure the County can attain and maintain financial sustainability
2. Ensure the County has sufficient long-term information to guide financial decisions
3. Ensure the County has sufficient resources to provide programs and services for the stakeholders
4. Ensure potential risks to ongoing operations are identified in the long-term financial planning process and communicated on a regular basis
5. Establish mechanisms to identify early warning indicators
6. Identify changes in expenditure or revenue structures needed to deliver services or to meet the goals adopted by the Board of Commissioners

The LTFFP forecasts revenues, expenditures, and financial position at least five years into the future or longer where specific issues call for a longer time horizon.

The LTFFP provides meaningful analysis of key trends and conditions, including but not limited to:

- a. An analysis of the affordability of current services, projects, and obligations
- b. An analysis of the affordability of anticipated service expansions or investments in new assets
- c. An analysis of the County's financial position

County staff regularly looks for and implements opportunities to improve the quality of the forecasting, analysis, and strategy development that is part of the planning process. These improvements are primarily identified through the comparison of projected performance with actual results.

Long-term structural balance is the goal of long-term financial planning at the County. Should the long-term forecasting and analysis show that the County is not structurally balanced over the five-year projection period, staff would then make recommendations for the Board of Commissioners' consideration on how the plan can be brought into balance.

The LTFFP addresses strategies for ensuring that the County's long-term liabilities remain affordable. The Board of Commissioners supports efforts to ensure that critical long-term liabilities like debt service, asset maintenance, pensions and other post-employment benefits remain affordable.



Operating and Capital Budget Policy

The formulation of the Operating and Capital Budget, including publication of this comprehensive budget document, is one of the most important financial activities that Gwinnett County undertakes each year. The budget policy is intended to provide guidelines to assist in the formulation of the budget and consideration of broader implications of financial decisions.

The operating and capital budgets are developed annually using supplemental programs, such as departmental business plans and performance measures. The policy establishes a comprehensive plan to deliver efficient services to residents and stakeholders of the County in a manner that aligns resources with the policy, goals, mission, and vision of the County. The policy applies to all funds under the budgetary and fiscal control of the Chairman and the Board of Commissioners.

The budget is constructed around the Board of Commissioners vision for the long-term direction of county services and associated desired culture and environment. When appropriate, a needs assessment of stakeholders' priorities, challenges and opportunities are integrated into the visioning process to assist with the establishment of both short-term and long-term goals. The County provides meaningful opportunities for stakeholder input, and seeks to maximize the value each stakeholder receives through its spending. Accordingly, staff should develop budget tools and methods to measure and maximize value, particularly by critically examining existing spending patterns.

Operating Revenues and Other Financing Sources must fully cover Operating Expenditures/Expenses, including debt service and Other Financing Uses. The budget is prepared in a manner that reflects the full cost of providing services. Internal service Funds are maintained to account for services provided primarily to departments within the County.

The County takes an objective and analytical approach to forecasting revenues, expenditures and expenses as accurately as possible. Though the County will use the best information available to estimate revenues accurately, absolute certainty is impossible. Should revenues be overestimated, the spending plans and priorities established during the budget process are used to propose amendments to appropriations and spending as required to balance the budget.

The Department of Financial Services monitors revenue inflows and expenditure/expense outflows to assess the implications of the annual budget in order to provide timely updates on actual financial performance. Monthly Financial Status Reports and archives are available on the County's web site on the [Your Money](#) page. The Department of Financial Services also develops financial forecasts for at least the next five years.

The County fully funds current portions of long-term liabilities in order to maintain the trust of creditors and avoid accumulating excessive long-term liabilities.

The County has many funding requirements established by the United States Federal Government and the State of Georgia. The County is directed by a large body of laws, program mandates, rules, and policies which can dictate its operations. It is the County's policy to effectively and efficiently manage its operation in conformity with these legal directives.

State law requires the County to adopt an annual balanced budget by formal resolution for the General Fund, each Special Revenue Fund, and each Debt Service Fund in use. In addition to what is required by law, the Board of Commissioners will also adopt an annual balanced budget for all proprietary funds in use. State law also requires the Board of Commissioners to adopt and operate under a project-length balanced budget for each

capital project fund. The project-length balanced budget is adopted by ordinance or formal resolution in the year that the project begins. Further, at a minimum, the legal level of control is at the department for each fund for which a budget is adopted.

The Chairman submits a proposed budget governing expenditures/expenses of all county funds on an annual basis to the Board of Commissioners, by no later than December 1. The budget should include capital outlay and public works projects for the following year. The procedures for budget preparation, submission to the Board of Commissioners, review by the Board of Commissioners, public review, notice, and hearings are provided in state law as well as in the county ordinance. County ordinance requires the budget be adopted by the Board of Commissioners at the first regular meeting in January of the year to which it applies.

Gwinnett County adopts governmental fund type budgets on the Modified Accrual Basis of Accounting, with the following exception: changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget. Proprietary fund types are budgeted on the Full Accrual Basis of Accounting, with the following exceptions: a) changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget, b) debt service and capital lease principal payments are treated as expenses in the annual operating budget, c) depreciation expense is not recognized in the annual operating budget, and d) capital purchases are recognized as expenses in the annual operating budget.

Budget amendments are considered and adopted by the Board of Commissioners at formal business meetings except for specific adjustments when limited authority is delegated to the County Administrator, Deputy County Administrator/Chief Financial Officer, and Director of Financial Services as prescribed within the Adopted Budget Resolution. See page 27 for the 2013 Budget Resolution Summary.

Grant Administration Practices

Whenever grants are available from state or federal governments, efforts are made to secure these funds if they fit within the overall plans of the County. Once granted, funds are used prudently in the hopes of renewal unless fulfillment of the requirements proves to be too costly.

Investment Policy

Investments are safeguarded in accordance with sound business principles and applicable laws to provide that prudent investment decisions are made in an effort to protect public funds, minimize market and security risks, and maximize the use of funds with respect to liquidity and yield. All investments are made in accordance with the laws of the State of Georgia and the County Investment Policy, which was last re-adopted by the Board of Commissioners in April 2012, to achieve the investment objectives of safety, liquidity, compliance, and return. The protection of principal against default and investment risk is paramount.

The County's Investment Policy governs the overall administration and investment management of those funds held in the County's Liquidity, Investment, and Bond Portfolios, excluding pension and other post-employee benefit trusts.

The Director of Financial Services, who is subject to the supervision of the Deputy County Administrator/CFO, is given the authority to buy, sell, or hold individual securities. The director establishes and implements the necessary structure and financial reporting and controls in order to achieve the objectives of the investment policy. An Investment





Committee serves in an advisory capacity that is responsible for adequately communicating appropriate objectives and goals to the Chairman, Board of Commissioners, Deputy County Administrator, and Director of Financial Services. The Department of Financial Services provides administrative support to the Investment Committee and maintain written records of the committee's activities. The Investment Committee may directly select, contract for services, and otherwise engage investment managers, investment consultants, and other professionals to assist in managing county funds.

External contracted investment professionals and committee members, managers, and staff involved in the investment process must refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

Authorized investments the County is permitted to invest in include the following securities: U.S. Treasury Obligations, U.S. Federal Agency Obligation Bonds, Repurchase Agreements, Prime Bankers' acceptances, Municipal Obligations Bonds, Certificates of Deposit insured by the Federal Deposit Insurance Corporation, Local Government Investment Pool, and Bank Deposits secured in accordance with Georgia law. Investments not specifically addressed by the County's Investment Policy are forbidden without the Investment Committee's written consent.

Maximum maturities of the County's securities are required in order to maintain adequate cash flow to meet the liquidity needs of the County. Selection of investment maturities must be consistent with the cash requirements of the County in order to avoid the forced sale of maturities prior to maturity. Investments are segregated into three categories based on expected liquidity needs and purposes:

1. **Liquidity Portfolio:** Short-term assets invested in permitted investments with an average maturity of 12 months or less. The Director of Financial Services will at times endeavor to maintain a liquidity reserve set at a minimum of 1/12 of the total expenditures of the preceding fiscal year. The reserve should be held intact, to be used exclusively for emergencies or unforeseen circumstances. This policy applies to the County's operating funds and not to capital projects funds.
2. **Investment Portfolio:** The Investment Portfolio is composed of investments with a stated maturity of no more than five years from the date of purchase. To control the volatility of the core portfolio, the Investment Committee determines a duration target not to exceed three years.
3. **Bond Proceeds:** Bond proceeds are invested in compliance with the specific requirements of the bond covenants without further restriction as to the maximum term to maturity of securities purchased. However, the duration of the bond proceeds portfolio should not exceed two years without the approval of the Investment Committee.

The County is prohibited from the following investments and investment practices: short sales, borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing, commodities and futures contracts, private placements, options, letter stock, speculative securities, domestic or international equity securities, fixed income mutual funds, any derivative that does not pass the Federal Financial Institutions Examination Council (FFIEC) High Risk Security Test 1 and 2 at any time using Bloomberg pre-payment speeds, and any investment instrument prohibited by Georgia state law.

It is the County's policy to make all securities purchases and sales only with Qualified Institutions or Approved Broker Dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The County accepts the offer that has the highest rate of return within the maturity required that optimizes the investment objective of the overall portfolio. When selling a security, the County selects the bid that generates the highest sales price.

The Director of Financial Services or Investment Manager prepares an investment report not less than quarterly for the Investment Committee and the Board of Commissioners. The report must include a summary of recent economic developments, investment strategies employed, descriptions of all securities held in investment portfolios, performance and benchmark data, and any potential areas of concern that may warrant revisions to investment strategies.

Capital Asset Investment and Management Policy

Capital assets have a major impact on the ability of the County to deliver services contributing to the economic vitality and overall quality of life for Gwinnett stakeholders. The purpose of Gwinnett County's Capital Asset Investment and Management Policy is to provide guidelines for a comprehensive process for allocating limited resources to capital investments.

Each year county staff develops a six-year long-range Capital Improvement Plan (CIP) that describes and prioritizes the capital projects the County intends to undertake. A CIP describes the capital projects and associated funding sources the County intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities and assets, and the maintenance thereof. In Gwinnett County, a capital project is defined as a project with a useful life of 10 years or more and a cost of at least \$250,000 within six consecutive years or more than \$100,000 in one year.

The Department of Financial Services is responsible for coordinating the CIP process and compiling the CIP document within the annual budget calendar. All projects submitted for consideration of inclusion within the CIP, with minor and occasional exceptions, should be based on investments called for by master plans that have been formally reviewed and adopted by the Board of Commissioners. Operating and maintenance cost estimates are reflected in departmental operating plans.

The County has provided financial resources for the CIP through three primary methods: Special Purpose Local Option Sales Tax; pay-as-you-go; and debt financing. These methods are expected to be used for future CIPs. The policy provides guidelines for choosing between pay-as-you-go and debt financing.

An objective set of criteria is used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:

1. **Long-Term Forecasts:** Long-term forecasts should be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance replacement costs.
2. **Impact on Other Projects:** Projects should not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.





3. **Allow for Funding of Preliminary Activities:** For some projects it may be wise to fund only preliminary engineering/planning before committing to funding the whole project. However, even these expenditures can be considerable; therefore they should be evaluated, analyzed, and prioritized appropriately.
4. **Full Lifecycle Costing:** Cost analysis of a proposed project should encompass the entire life of the asset, from planning and acquisition to disposal.
5. **Predictable Project Timing and Scope:** Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

Debt Management Practices

In 2008 the Department of Financial Services established a set of guidelines for debt issuance processes. The purpose of Debt Management Practices is to establish parameters and guidelines governing the issuance, management, and evaluation of all debt obligations issued by Gwinnett County, and to provide for the preparation and implementation of procedures necessary to assure compliance and conformity with the practices.

It is the practice of Gwinnett County that capital requirements be funded by a combination of reserves, current revenues, and municipal debt. The County subscribes to the following long-range targets:

- Dedicated Special Purpose Local Option Sales Taxes (SPLOST) revenues are employed to the maximum extent possible.
- Revenue bonds are used as needed, especially for enterprise activities and parks/recreation funding.
- General Obligation bonds are employed only where there are no other viable revenue sources.
- The maximum targeted use of debt in the Capital Improvement Program will not exceed 35 percent of the total CIP for any six-year plan period.

The County may periodically issue debt obligations to finance the construction or acquisition of infrastructure and other assets for the purpose of meeting its governmental obligation to its residents. It is the County's desire and direction to ensure that such debt obligations are issued and administered in such a manner so as to obtain the best long-term financial advantage to the County, while making every effort to maintain the County's bond ratings and reputation in the investment community.

The County plans long- and short-term debt issuances to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The Director of Financial Services and Deputy County Administrator/CFO working with staff oversees and coordinates the timing, issuance process, and marketing of the County's borrowing and capital funding activities required in support of the Capital Improvement Plan. The financing of capital needs is determined by the timing of infrastructure needs, as well as anticipated revenue streams. Debt is one method the County considers when funding the Capital Improvement Plan.

When issuing debt, the County meets all state laws and requirements and follows budgetary and fiscal processes to ensure the preservation of a sound financial position and favorable credit rating. See the Debt Summary discussion on page 44 for additional detail on county practices regarding debt usage.

Risk Management Practices

The Board of Commissioners is authorized to provide for the programs of risk management, insurance, and workplace safety for Gwinnett County. The County defines Risk Management as a process whereby Gwinnett County uses the techniques of avoidance, control, non-insurance transfers, insurance, and retention to reduce and eliminate property and casualty exposures.

The County manages its risks by purchasing limited liability coverage and internally setting aside monies for claim settlement in the Risk Management, Auto Liability, and Workers' Compensation Funds. The Risk Management Fund services claims for the County's exposure resulting from liability and County-owned property damage. Auto Liability does the same specifically for damages to non-County-owned vehicles. The Workers' Compensation Fund services claims for employee exposure to injuries. All departments, agencies, and authorities of the County participate in these funds. These internal service funds allocate the cost of providing claims service and payment by charging a premium to each department. These charges are based upon recent trends in actual claims experience of the County as a whole and at the department level.

The Department of Financial Services and the Department of Human Resources jointly administer a risk management program. The Department of Financial Services manages the safety program and provides technical support to the Department of Human Resources for the management and monitoring of the workers' compensation program.

It is the objective of the Board of Commissioners that Gwinnett County should maintain efficient, productive, and well-managed risk management, insurance, and safety programs. The Board of Commissioners believes that the involvement, participation, and support of this policy statement and all other efforts of the Department of Finance and the Department of Human Resources related to these programs greatly benefits all Gwinnett County employees and elected officials, as well as the residents of the County. All county officials and employees are strongly encouraged to follow the lead of the Board of Commissioners in endorsing, cooperating with, participating in, and supporting the activities of these programs.

It is the responsibility of all managers and employees to see that facilities and equipment are properly maintained and that operations are carried out in a safe manner. No loss of life or injury to employees or members of the public is acceptable. When accidents occur, they cause untold suffering and financial loss to county employees, to their families, to Gwinnett County, and to the public. The time lost from jobs, medical expenses, compensation payments, property damage, liability claims, and rising insurance costs drain tax dollars away from much-needed services and programs and reduce efficiency. These losses must be minimized by countywide participation in programs to reduce injuries, illness, property damage, fires, liability claims, and security losses.

Purchasing Practices

The Board of Commissioners adopted the *Gwinnett County Purchasing Ordinance* in April 1995, and amended it with the sixth revision on December 14, 2010. Through it, the Purchasing Division establishes dollar limits and buying parameters, describes the accepted methods for source selection including professional services, construction acquisitions, and disposal of property, and explains contracting procedures including bonding, insurance, and vendor performance.





Additional purchasing process procedures and guidelines are documented in support of the purchasing ordinance. These include the Purchasing Procedures Manual, revised December 14, 2010, the Purchasing Associate II Manual, updated July 1, 2011, and the Purchasing ASA Manual, updated December 21, 2010.

All purchases shall be based on an approved budget for which funds have been allocated. Emergency purchases may be authorized by any department head; however, a letter of justification must be submitted to the Purchasing Director as soon as practical. Any purchase made under these conditions at a cost greater than \$100,000 shall be presented to the Board of Commissioners for approval at its next meeting (see *Purchasing Guidelines* below).

Gwinnett County Purchasing Guidelines	
Up to \$4,999.99	Each user department is granted the authority, at the discretion of the Department Director, to handle purchases where the cost is less than \$5,000.
\$5,000 – \$9,999.99	Purchasing staff shall obtain commodities and services competitively through telephone solicitations by obtaining a minimum of three quotations.
\$10,000 – \$100,000	Purchasing staff shall obtain commodities and services competitively through written quotations by obtaining a minimum of five quotations.
Above \$100,000	Requires solicitation of formal, sealed bids/proposals by the Purchasing Division staff. Award approval of the bids/proposals are made at a formal meeting by the Board of Commissioners.

Reserve Policies

Through adherence to its reserve policies, the County maintains a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. Reserve policies are also intended to document the appropriate reserve level to protect the County's credit worthiness. Operating reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

Funding of reserve targets generally comes from excess revenues over expenditures or one-time revenues.

It is the intent of the County to limit use of fund reserves to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for the County to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of an adopted long-term plan.

Gwinnett County currently operates under the following reserve policies:

General Fund Reserve Policy – The County maintains a minimum level of unassigned fund balance in the General Fund equivalent to three months of regular, ongoing operating expenditures (including transfers out). The County Administrator, Deputy County Administrator/Chief Financial Officer, and Director of Financial Services, collectively, are authorized to assign Fund Balance for specific purposes in accordance with the intent and actions of the Board of Commissioners.

Special Revenue Funds Reserve Policy – The County maintains a minimum level of restricted or committed fund balance equivalent to three months of regular, ongoing operating expenditures (including transfers out). Amounts used in this calculation should not include any amounts allocated for another purpose by the Board of Commissioners.

Enterprise Funds Reserve Policy – The County maintains a minimum level of working capital in Enterprise Funds equivalent to three months of regular, ongoing operating expenses (including transfers out), except for the Local Transit Operating Fund. The Local Transit Operating Fund, or any fund that is subsidized by the General Fund on an ongoing basis, maintains reserves equal to one month of regular, ongoing operating expenses (including transfers out), with any excess reverting back to the General Fund. For purposes of this calculation, working capital includes long-term investments that can be liquidated within five business days.

The County measures its compliance with its reserve policies as of December 31 each year, as soon as practical after final year-end account information becomes available. During the course of the year, the Department of Financial Services closely monitors the County's revenues and expenditures to ensure reserves are not used beyond any planned usage. For the purposes of the reserve policies, current year actual expenditures exclude significant non-recurring items. Forecasts and fund balance levels are presented to the Chairman and Board of Commissioners during the annual budget process. Should the projected year-end fund balance be below the minimum reserve amount established by the reserve policies, a plan to replenish the reserves would be established based on the requirements outlined in the policies.

In the event that reserves exceed the minimum balance requirements at the end of each fiscal year, any excess reserves may be used in the following ways:

1. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget resolution. Priority is given to those items that relieve budget or financial operating pressure in future periods.
2. Appropriated to lower the amount of bonds or contributions needed to fund capital projects in the County's CIP.
3. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis is placed on one-time uses that reduce future operating costs.
4. Start-up expenditures for new programs, provided that such action is approved by the Board of Commissioners and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Department of Financial Services.



The Budget Process

Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the 2013 Budget.

	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Strategic Planning												
Board of Commissioners Strategic Planning Meeting			→									
Departmental Strategic Planning Meetings				→								
Millage rate adoption for current year					→							
Mid-Year Budget Reconciliation for current year						→						
Budget Development												
Budget prep material prepared and sent out to departments						→						
Departments prepare draft budgets							→					
Budget staff compile draft budget								→				
Chairman convenes Citizens' Budget Review Team									→			
Departments present business plans to the Chairman and Review Team									→			
Finalize and adopt												
Chairman finalizes recommendations									→			
Chairman's proposed budget presented to the Board of Commissioners										→		
Chairman's proposed budget published										→		
Budget availability advertised										→		
Board of Commissioners' review and input										→		
Public Hearing											→	
Adoption of the budget												→

Georgia law requires each unit of local government to adopt and operate under a balanced budget. A budget ordinance or resolution is balanced when the sum of the estimated revenues and appropriated fund balances/net position is equal to appropriations. Arriving at a balanced budget that will allow Gwinnett County to provide necessary services for all of its residents is an enormous task that involves a lot of time by dedicated county elected officials and staff members.

The budget process is the basis for deciding the allocation of scarce resources among various competing alternatives. Typically, the annual budget process begins early in the year, many months before the first recommendation is made to the Board of Commissioners.

The County has relied upon its budget process as an integrated planning process alongside the County's 2030 Unified Plan, as well as the Business Planning Process. The quality of the County's Unified Plan has received both state and national recognition, with awards from both the Georgia Planning Association as well as the American Planning Association.

The County's 2030 Unified Plan encompasses the following themes:

- Maintaining economic development and fiscal health
- Fostering redevelopment
- Maintaining mobility and accessibility
- Providing more housing choices
- Keeping Gwinnett a preferred place

In developing the 2013 budget, County Administration continued the Business Planning Process that was set up in 2009 that directs departments to develop cohesive business plans that produce resident-driven outcomes. The Business Planning Process connects strategy and core services to the budget and decision making process. The budget represents the financial plan resulting from the Business Planning Process.

This process provides the basis for all stakeholders to understand the expected results and for policymakers to make decisions in a more informed manner. In light of the economic downturn, the Business Planning Process provides the framework needed to appropriately plan for the allocation of limited resources.

Development of the 2013 budget began in May 2012 when the Board of Commissioners held a strategic planning meeting. In the summer of 2012, departments submitted budget proposals, including modified zero-based justifications, to the Department of Financial Services. The Department of Financial Services then compiled recommendations into a draft budget for review by the Chairman of the Board of Commissioners and the Budget Review Committee. The Chairman selects county residents to serve on the Budget Review Team and assist her in making recommendations for the budget.

All departments submitted their fiscal year 2013 annual operating and capital budgets on or before July 27, 2012. From September 5, 2012, through September 12, 2012, departments presented their business plans to the Chairman and the Review Team for consideration. The presentations by departments have been recorded and can be viewed on the County's website on the [Budget Review Meetings webpage](#).





With input from the Review Team, the Chairman presented a proposed budget to the Board of Commissioners on November 27, 2012. The Board of Commissioners reviewed the proposed budget, and in accordance with state law, a public hearing was held on December 10, 2012, at least one week before the formal adoption of the budget.

County ordinance also requires that a budget must be adopted at the first meeting of the new fiscal year. The final adopted budget was approved on January 3, 2013 and is presented in its entirety within this document.

The budget may be amended throughout the fiscal year to adapt to changing governmental needs through approval of the Board of Commissioners. Specific authority has been given to other individuals through the budget resolution for adjustments in certain cases. Primary authority, however, rests with the board. Any increase in appropriations in any fund for a department, whether through a change in anticipated revenues or through a transfer of appropriations among departments, requires the approval of the Board of Commissioners. The budget resolution on the following pages identifies conditions under which budget adjustments can be made and by whose authority.

At mid-year, the board adopts a budget reconciliation that replaces the original adopted budget. The purpose of the mid-year reconciliation is to review actual experience to date in regard to both revenues and expenditures. The adoption of the budget reconciliation is done in conjunction with, more or less, the adoption of the County's property tax millage rate. At this point in the fiscal year, the projected tax revenues are reconciled, and projected revenues and appropriations are reconciled to be more in line with actual expense experience.

Budget Resolution Summary

The final outcome of the budget process is the following balanced budget.

FY 2013 Resolution Amounts

Operating Budget	FY 2013
Tax Related Funds	
General	\$ 284,421,736
G.O. Bond Detention Center	25,572,829
Dev & Code Enforcement	11,746,884
Fire/EMS	106,159,946
Loganville EMS	16,800
Police	119,028,204
Recreation	29,557,168
Total Tax Related	\$ 576,503,567
Special Revenue Funds	
Speed Humps	\$ 117,404
Street Lighting	7,421,840
Authority Imaging	1,964,812
Corrections Inmate Welfare	69,394
Crime Victims Assistance	1,175,483
DA Fed Asset Sharing	205,000
E-911	16,225,460
Juvenile Court Supervision	67,849
Police Justice	1,224,550
Police Treasury	695
Police State	1,159,009
Sheriff Inmate Store	535,648
Sheriff Justice	150,000
Sheriff Treasury	250,000
Sheriff State	150,000
Stadium Operating	2,181,052
Tree Bank Fund	30,000
Tourism	7,074,862
Total Special Revenue	\$ 40,003,058
Enterprise Funds	
Airport Operating	\$ 880,250
Local Transit Operating	7,766,676
Solid Waste Operating	42,983,790
Stormwater Operating	30,347,777
Water and Sewer Operating	295,014,000
Total Enterprise	\$ 376,992,493
Internal Service Funds	
Administrative Support	\$ 51,282,786
Auto Liability	1,050,726
Fleet Management	6,105,286
Group Self Insurance	41,579,882
Risk Management	6,632,519
Workers' Compensation	5,229,496
Total Internal Service	\$ 111,880,695
Operating Funds	\$ 1,105,379,813
Indirect Cost Allocations	(46,613,031)
Total Operating Funds	\$ 1,058,766,782

Capital Budget	FY 2013	FY 2014 – 2018
Tax Related Funds		
Capital Project	\$ 24,776,942	\$ 91,120,382
Vehicle Replacement	9,925,426	29,497,462
Total Tax Related	\$ 34,702,368	\$ 120,617,844
Special Revenue Funds		
SPLOST (2005)	\$ 45,375,415	\$ –
SPLOST (2009)	153,089,228	199,995,488
Total Special Revenue	\$ 198,464,643	\$ 199,995,488
Enterprise Funds		
Airport R & E	\$ 69,275	\$ 650,638
Solid Waste R & E	75,000	50,000
Stormwater R & E	33,847,217	105,283,594
Transit R & E	3,599,674	65,500
W & S R&E/Bond	137,884,107	568,670,761
Total Enterprise	\$ 175,475,273	\$ 674,720,493
Capital Funds	\$ 408,642,284	\$ 995,333,825
Indirect Cost Allocations	(3,912,194)	
Total Capital Funds	\$ 404,730,090	\$ 995,333,825

R & E = Renewal & Extension
 SPLOST = Special Purpose Local Option Sales Tax



**GWINNETT COUNTY
BOARD OF COMMISSIONERS
LAWRENCEVILLE, GEORGIA**

Resolution Entitled: **A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2013 FOR EACH FUND OF GWINNETT COUNTY, APPROPRIATING THE AMOUNTS SHOWN IN THE FOLLOWING SCHEDULES FOR SELECTED FUNDS AND AGENCIES; ADOPTING THE ITEMS OF ANTICIPATED FUNDING SOURCES BASED ON THE ESTIMATED 2013 TAX DIGEST; AFFIRMING THAT EXPENDITURES IN EACH AGENCY MAY NOT EXCEED APPROPRIATIONS; AND PROHIBITING EXPENDITURES FROM EXCEEDING ANTICIPATED FUNDING SOURCES.**

READING AND ADOPTION: **January 3, 2013**

At the regular meeting of the Gwinnett County Board of Commissioners held in the Gwinnett Justice and Administration Center, Auditorium, 75 Langley Drive, Lawrenceville, Georgia.

Name	Present	Vote
Charlotte J. Nash, Chairman	Yes	Yes
Jace Brooks, District 1	Yes	Yes
Lynette Howard, District 2	Yes	Yes
Tommy Hunter, District 3	Yes	Yes
John Heard, District 4	Yes	Yes

On motion of **Chairman Nash**, which carried **5-0**, the Resolution of the Gwinnett County Commissioners set forth below is hereby adopted:

WHEREAS, the Gwinnett County Board of Commissioners ("Board") is the governing authority of said County; and

WHEREAS, the Board has presented a Proposed Budget which outlines the County's financial plan for said fiscal year which includes all projected revenues and allowable expenditures; and

WHEREAS, an advertised public hearing has been held on the 2013 Proposed Budget, as required by State and Local Laws and regulations; and

WHEREAS, the Board has reviewed the Proposed Budget and has made certain amendments to Funding Sources and Appropriations; and

WHEREAS, the Board decrees that the Proposed 2013 Budget shall in all cases apply to and control the financial affairs of County departments and all other agencies subject to the budgetary and fiscal control of the governing authority; and

WHEREAS, the Board may authorize and enact adjustments and amendments to appropriations as to balance revenues and expenditures; and

WHEREAS, each of the funds has a balanced budget, such that Anticipated Funding Sources equal Proposed Expenditures; and

NOW, THEREFORE, BE IT RESOLVED that this Budget is hereby adopted specifying the Anticipated Funding Sources for each Fund and making Appropriations for Proposed Expenditures to the Departments or Agencies named in each Fund; and

BE IT FURTHER RESOLVED that Expenditures of any Operating Budget Fund or Capital Budget Fund shall not exceed the Appropriations authorized by this Budget Resolution and any Amendments thereto or Actual Funding Sources, whichever is less; and

BE IT FURTHER RESOLVED that all Expenditures of any Operating Budget Fund or Capital Budget Fund are subject to the policies as established by the Board of Commissioners and the County Administrator; and

BE IT FURTHER RESOLVED that in accordance with the Official Code of Georgia Annotated Section 33-8-8.3(a) (1), the proceeds from the tax on insurance premiums in the amount of \$27,984,859 shall be used solely for the purposes of funding police protection to inhabitants of the unincorporated areas of the county, budgeted at \$91,021,270 and remaining funding of \$63,036,411 anticipated from direct revenue and taxes; and

BE IT FURTHER RESOLVED that certain Capital Project Budgets are adopted, as specified herein, as multiple-year project budgets as provided for in Official Code of Georgia Annotated Section § 36-81-3(b)(2); and

BE IT FURTHER RESOLVED that Indirect Cost Allocations and Contributions as appropriated in any Fund within the various accounts of a Department or Agencies are restricted for the express purpose as designated; and

BE IT FURTHER RESOLVED that a vacancy period for a minimum of ninety days shall ensue immediately upon the separation of employment by an employee from a County department or Agency; and

BE IT FURTHER RESOLVED that transfers of appropriations in any Fund among the various categories within a Department or Agency shall require only the approval of the Director of Financial Services so long as the total budget for each Department or Agency is not increased; and

BE IT FURTHER RESOLVED, the \$1,000,000 reduction to the Gwinnett County Library is for materials; the subsidy for operations has not been reduced; and

BE IT FURTHER RESOLVED that the 2013 Budget shall be amended so as to adapt to changing governmental needs during the fiscal year as follows: Any increase in Appropriations in any Fund for a Department or Agency, whether through a change in Anticipated Revenues in any Fund or through a transfer of Appropriations among Departments or Agency, shall require the approval of the Board of Commissioners, except in the following cases where authority is granted to:

1. The Department Director to:
 - (a) set fee structures provided that they are not restricted by rate setting policies and agreements.
2. The Director of Financial Services to:
 - (a) allocate funds to appropriate Departments or Agency from insurance proceeds and/or from the Casualty and Liability Insurance Reserve for the replacement or repair of damaged equipment items;

- (b) allocate funds from the established Judicial Reserve to appropriate Departments or Agency for required expenses;
 - (c) allocate funds from the established Prisoner Medical Reserve to various Funds, Departments or Agency when required to cover expenses;
 - (d) allocate funds from the established Indigent Defense Reserve to appropriate Departments or Agency for required expenses;
 - (e) allocate funds from the established Court Reporters Reserve to appropriate Departments or Agency for required expenses;
 - (f) allocate funds from the established Court Interpreters Reserve to appropriate Departments or Agency for required expenses;
 - (g) allocate funds from the established Inmate Housing Reserve to appropriate Departments or Agency for required expenses;
 - (h) allocate funds from the established Fuel/Parts Reserve as required;
 - (i) allocate funds from Non-Departmental contingencies and reserves to cover existing obligations/expense in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
 - (j) authorize preparation and submission of applications for grant funding; however, acceptance of all grant awards is subject to the approval of the Board of Commissioners;
 - (k) adjust revenue and appropriation budgets between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;
 - (l) approve transfers of appropriations within Department or Agency for capital projects and allocate funds previously approved, or, as appropriate, transfer appropriations among fiscal years for projects as necessary to allow completion of each project and cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
 - (m) calculate savings associated with the future vacancy of any position and shall further have the authority to amend the budget of such Department or Agency at the time a vacancy arises unless an exception has been granted; and
 - (n) adjust revenue and appropriation budgets to incorporate collected revenue for confiscated assets for Special Revenue Funds and for capital fund contingency project and project specific levels; and
3. The Deputy County Administrator/Chief Financial Officer to:
- (a) transfer funds from Departments under his/her direct authority within the Administrative Support Fund so long as the Administrative Support Fund Departments in total are not increased;
 - (b) transfer funds from the Administrative Support Fund resulting from under expenditures to a capital fund for technology projects;

- (c) allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassification to Department and Agencies as necessary to provide funding for compensation actions, reductions in force and retirement incentives;
- (d) transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities and expend funds within Non-Departmental reserve to reduce said accrued liabilities; and
- (e) transfer appropriations within a capital fund from an Information Technology contingency/reserve to establish new projects/initiatives for amounts up to \$100,000.

4. The County Administrator to:

- (a) transfer funds from Department or Agency budgets to Contribution to Capital Projects for amounts up to \$25,000;
- (b) transfer funds within a capital fund from fund or program contingencies and/or savings in existing projects to establish new projects for amounts up to \$100,000;
- (c) grant exceptions to the ninety day vacancy period upon petition by a County department or Agency so as to permit the vacant position to be filled through hire and appointment without a corresponding budgetary impact; and
- (d) reallocate funding among projects approved by the Board of Commissioners.

BE IT FURTHER RESOLVED that such amendments shall be recognized as approved changes to this resolution in accordance with *O.C.G.A. 36-81-3*. These authorities for transfers of appropriations shall not be used as an alternative to the normal budget process and are intended to be used only when necessary to facilitate the orderly management of projects and/or programs; transfers approved under these authorities may not be used to change the approved scope or the objective of any capital project; and

BE IT FURTHER RESOLVED that the compensation for county appointments by the Board of Commissioners to the various Boards and Authorities have been set (see-attached schedule). This does not preclude any department from reimbursing those members for actual expenses incurred in the performance of duty; and

BE IT FURTHER RESOLVED that the Board of Commissioners shall approve increases in authorized positions. Vacant positions may be reallocated within the same Department or Agency or reassigned to another Department or Agency and filled authorized positions may be reassigned at the same grade level between a Department or Agency with the authorization of the County Administrator; and

BE IT FURTHER RESOLVED that the County Administrator is granted authority to authorize benefits pursuant to *O.C.G.A. §47-23-106* for retired Superior Court Judges.

Resolution Number: BDG-2013
GCID Number: 2013-0026

Resolution Number: BDG-2013
GCID Number: 2013-0026

Charlotte J. Nash
Charlotte J. Nash, Chairman

1/25/13

Date
Attest:

Diane Kemp
County Clerk/Deputy County Clerk



Approved as to form:

Van Slep

Gwinnett County Staff Attorney

Consolidated Budget – All Funds

FY 2013 Revenue and Appropriations

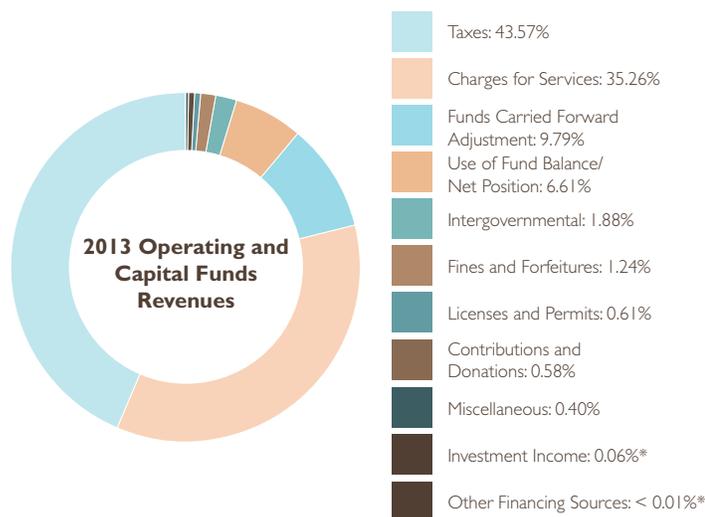
The purpose of a consolidated budget is to eliminate duplicating transfers and Internal Service Fund activity in order to determine the true cost of providing services. This data excludes inter-fund transfers in the amount of \$173,273,095 and Internal Service Fund activity in the amount of \$111,880,695.

FY 2013 Revenues

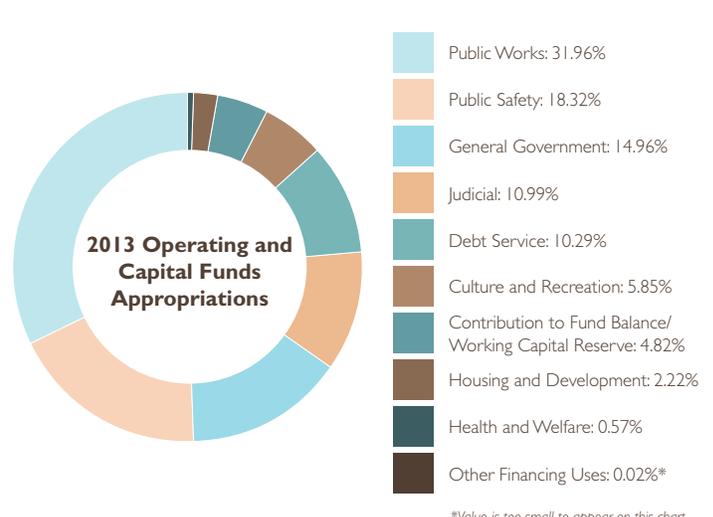
Taxes	\$ 535,364,392
Licenses and Permits	7,478,718
Intergovernmental	23,084,072
Charges for Services	433,341,549
Fines and Forfeitures	15,257,198
Investment Income	785,075
Contributions and Donations	7,134,550
Miscellaneous	4,890,163
Other Financing Sources	32,225
Total 2013 Revenues	1,027,367,942
Funds Carried Forward Adjustment	120,300,000
Use of Fund Balance/Net Position	81,200,365
Total Budgeted Revenues	\$ 1,228,868,307

FY 2013 Appropriations

General Government	\$ 183,834,370
Judicial	135,107,475
Public Safety	225,105,360
Public Works	392,762,586
Health and Welfare	7,029,673
Culture and Recreation	71,909,666
Housing and Development	27,272,896
Debt Service	126,375,245
Other Financing Uses	200,000
Total 2013 Appropriations	1,169,597,271
Contribution to Fund Balance/ Working Capital Reserve	59,271,036
Total Budgeted Appropriations	\$ 1,228,868,307



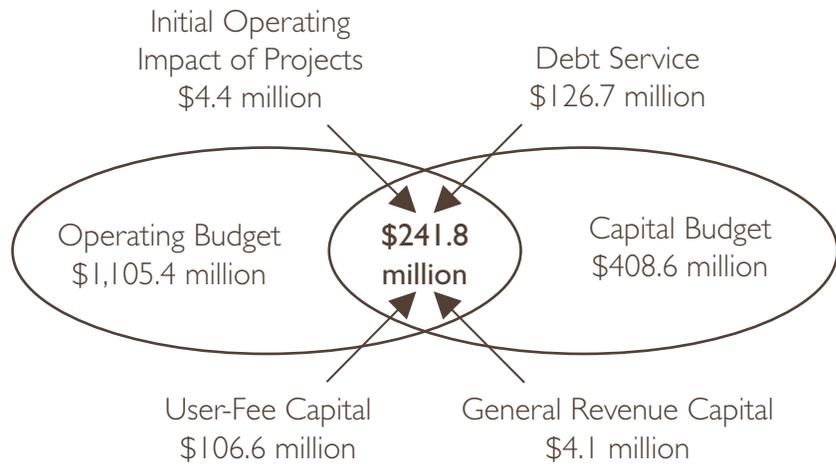
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*Value is too small to appear on this chart

Relationship Between Operating and Capital Budgets

In 2013 total appropriations of \$1.5 billion include an impact of \$241.8 million, or 16 percent, resulting from capital infrastructure development including \$126.7 million in debt service, \$4.1 million in general revenue-financed capital expenditures, and \$106.6 million of user fee-financed capital expenditures reflected in the diagram below.



2013 – 2018 Operating Impact of Capital Projects (in thousands)

Below are estimated operating costs associated with capital projects. Although some start-up costs are one-time, most continue to impact operating expenses in subsequent years.

Project Description	2013	2014	2015	2016	2017	2018	Total
Voice Technology	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 900
Business System Application Upgrades	50	50	50	50	50	50	300
Criminal Justice Information System	50	50	50	50	50	50	300
Pros Dialogue/CRIMES Case Management System	2	2	2	2	2	2	12
Enterprise Resource Planning Growth	37	37	37	37	37	37	222
Disaster Recovery	63	63	63	63	63	–	315
SAP Upgrades	84	84	84	84	84	84	504
Sharepoint Expansion	8	8	8	8	8	8	48
Enterprise Solution Enhancements	102	410	476	476	476	476	2,416
Courts Electronic Invoice System	51	51	51	51	51	51	306
Courts Business Application Enhancements	13	13	13	13	13	13	78
Internet Portal Expansion	–	25	25	25	25	25	125
Field Communication Equipment	475	475	475	475	475	475	2,850
Enterprise Asset Management System	90	90	90	90	90	90	540
Jail Management System Replacement	75	75	75	75	75	75	450
Technology Hardware and Software	22	26	26	27	27	27	155
Networking and Communications	225	225	225	225	225	–	1,125
ECM Upgrade or Replacement	150	(61)	(61)	(61)	(61)	(61)	(155)
Countywide Security Camera Systems	–	75	75	75	75	75	375
Warrant Tracking Module Replacement	–	11	11	11	11	11	55
Medical Examiners Office	–	–	–	57	–	–	57
Rewrite Zoning Resolution	2	–	–	–	–	–	2
Police Mobile Command Vehicle Logging Recorder	–	8	8	8	8	8	40
Major Repairs and Renovations	15	20	20	25	30	35	145
Fire Station 31	2,731	1,101	–	–	–	–	3,832
Fire Station 10 Relocation	–	15	–	–	–	–	15
Ambulance Service Expansion	–	585	741	–	–	–	1,326
Environmental and Heritage Center	30	–	–	–	–	–	30
J. B. Williams Park	–	–	95	–	–	–	95
Little Mulberry Park Improvements	–	50	–	–	–	–	50
McDaniel Farm Park Improvements	–	–	–	25	–	–	25
South Gwinnett Park Improvements	–	–	14	–	–	–	14
Lion's Club Park Improvements	26	–	–	–	–	–	26
Rock Springs Park Soccer Expansion	–	–	89	–	–	–	89
George Pierce Park Gym Expansion	–	–	–	167	–	–	167
Isaac Adair House Improvements	50	–	–	–	–	–	50
Lilburn Library Relocation	–	9	14	–	–	–	23
Electronic Citation	594	594	594	594	594	594	3,564
Water Production Emergency Generator	–	100	–	–	–	–	100
Water and Sewer Fleet Equipment	(100)	(75)	(50)	(50)	(50)	(50)	(375)
Lanier UV Disinfection	–	–	–	–	–	100	100
Flow and Pressure Monitoring Stations	10	10	10	10	10	10	60
South Gwinnett Wastewater	–	–	200	–	–	–	200
Sewer Assessment Program	(100)	(100)	(100)	(100)	(100)	(100)	(600)
Distribution System Rehabilitation	(50)	(50)	(50)	(50)	(50)	(50)	(300)
Water Production Facility Rehabilitation	100	50	50	100	100	100	500
Pump Station Rehabilitation	(100)	(75)	(150)	(150)	(100)	(75)	(650)
Sewer Collection System Renovation	(10)	(50)	(50)	(100)	(100)	(100)	(410)
Water Reclamation Facility Improvements	(100)	(50)	(50)	(50)	(50)	(50)	(350)
Pump Station Phase Out Program	(100)	(100)	(50)	(50)	(50)	(50)	(400)
Water Accountability Program	(10)	(10)	(10)	(10)	(10)	(10)	(60)
Wastewater Flow Metering	10	10	10	10	10	10	60
Big Haynes Storm Water Project	–	25	–	–	–	–	25
Natural Resources Watershed	(50)	–	–	–	–	–	(50)
2013 Drainage Improvements	(200)	(100)	(100)	(100)	(100)	(100)	(700)
Total	\$ 4,395	\$ 3,826	\$ 3,160	\$ 2,262	\$ 2,068	\$ 1,910	\$ 17,621



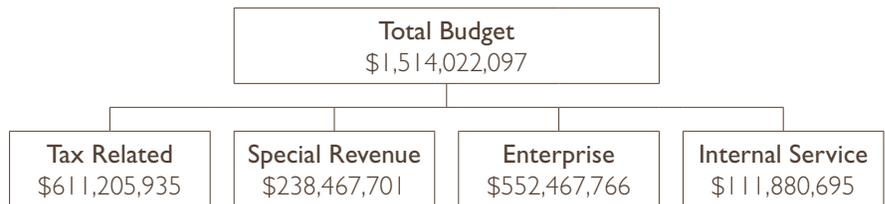
Fund Structure and Financial Status

Gwinnett County Government is financially and operationally sound. Emphasizing long-range planning in the budgeting process, a five-year forecast is used to analyze the implications of annual service investments, assuring adequate revenue sources will be available and secure balances can be maintained prior to making long-term commitments. Further, the County has set a policy of not obligating its residents to pay more in the future when it can invest now in efforts to keep taxes low for years to come.

This section describes the County's financial structure and the condition of the major funds.

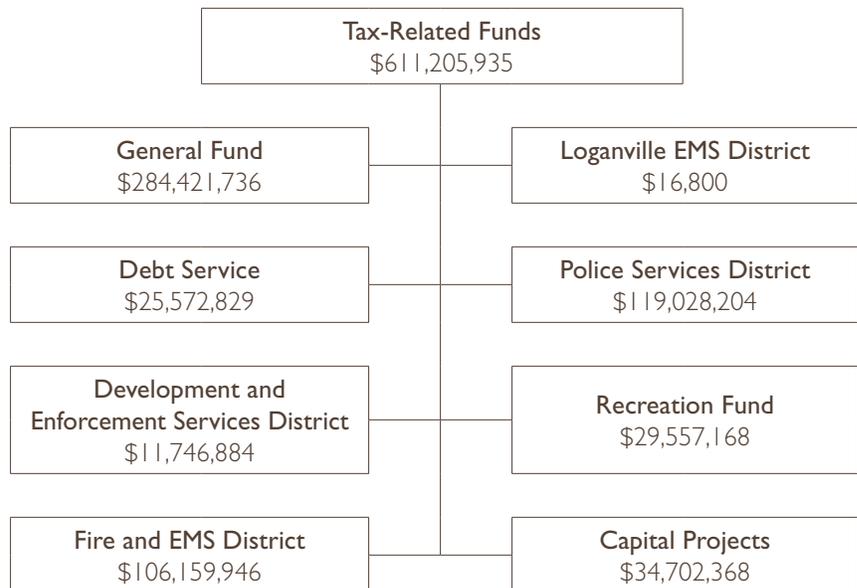
Fund Groups

The 2013 Adopted Budget contains 45 separate funds that are categorized into four fund groups: Tax-Related Funds, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. These groups and the major funds are all highlighted in the following sections.



Tax-Related Funds

Tax-Related Funds are funds whose primary revenues are derived from taxes. These include the General, Debt Service, Development and Enforcement Services District, Fire and EMS District, Loganville EMS District, Police Services District, Recreation, and Capital Projects Funds.



General Fund

The General Fund is the second largest operating fund within the 2013 Operating Budget, encompassing operational funding for County services including courts and sheriff, public works, and community services.

In 2013 expenditures of the General Fund are expected to total \$284.4 million. Revenues are expected to total \$241.8 million.

Fund balance reserves remain above the three-month policy level.

Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest related to the 2003 detention center and 2012 refunding bonds.

In 2013 expenditures in the Debt Service Fund are expected to total \$25.6 million, a decrease of \$4.7 million, or 16 percent, from the 2012 level of \$30.3 million. Debt Service appropriations are unusually high for both 2012 and 2013. In 2012 the County refunded a portion of its 2003 General Obligation Bonds. In 2013 the budget includes a \$20 million cash redemption of the remaining portion of the 2003 General Obligation Bonds. For more information, see the Debt Summary beginning on page 44.

Budgeted revenues totaling \$5.8 million plus budgeted use of fund balance of \$25 million will cover debt service requirements in 2013.

Development and Enforcement Services District Fund

This fund is used to account for the revenues and expenditures attributable to the Development and Enforcement Services District. The Development and Enforcement Services District includes all properties within unincorporated Gwinnett County. A property tax will be levied beginning in 2013 to support this service district. The 2013 budget includes a one-time \$2.9 million transfer in from the General Fund to establish a three-month fund balance reserve, in compliance with the negotiated SDS settlement.

Fire and Emergency Medical Services District Fund

This fund is used to account for the revenues and expenditures attributable to the Fire and Emergency Medical Services District. The Fire and Emergency Medical Services District includes all properties within unincorporated Gwinnett County and all cities except Loganville. A property tax will be levied beginning in 2013 to support this service district. The 2013 budget includes a one-time \$20.8 million transfer in from the General Fund to establish a three-month fund balance reserve, in compliance with the negotiated SDS settlement.

Loganville Emergency Medical Services District Fund

This fund is used to account for the costs associated with providing Emergency Medical Services to the City of Loganville. The Loganville Emergency Medical Services District includes all properties within the portion of incorporated Loganville that lie within Gwinnett County. The County is responsible for providing emergency medical services within this district. At this time, no millage rate is associated with this district.

Police Services District Fund

This fund is used to account for the revenues and expenditures attributable to the Police Services District. The Police Services District includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments. A property tax will be levied beginning in 2013 to support this service district. The 2013 budget includes a one-time \$27.5 million transfer in from the General Fund to establish a three-month fund balance reserve, in compliance with the negotiated SDS settlement.





Recreation Fund

This fund is used to account for the operations and maintenance of county parks and recreational facilities. Financing is provided by a specific property tax levy and miscellaneous revenues including admissions, concessions, and sport activity fees.

With strong support from residents and the use of fee-based services, the fund balance reserve remains above the three-month policy level.

In 2013 expenditures in the Recreation Fund are expected to total \$28.0 million, an increase of \$1.4 million or 5 percent, from the 2012 actual level of \$30.3 million.

In 2013 revenues in the Recreation Fund are expected to total \$29.6 million, a decrease of \$1.5 million or 5 percent, primarily due to the declining tax digest as discussed in the overview of this section.

Capital Projects Fund

This Capital Projects Fund, which is primarily supported by contributions from the operating tax funds, is budgeted at \$24.8 million in 2013. Contributions to this fund are budgeted as follows:

General Fund	\$ 2,246,329
Fire and Emergency Medical Services District Fund	\$ 385,400
Police Services District Fund	\$ 134,000
Recreation Fund	\$ 419,180
E-911 Fund	\$ 21,500
Police Justice Fund	\$ 127,362
Police State Fund	\$ 177,465

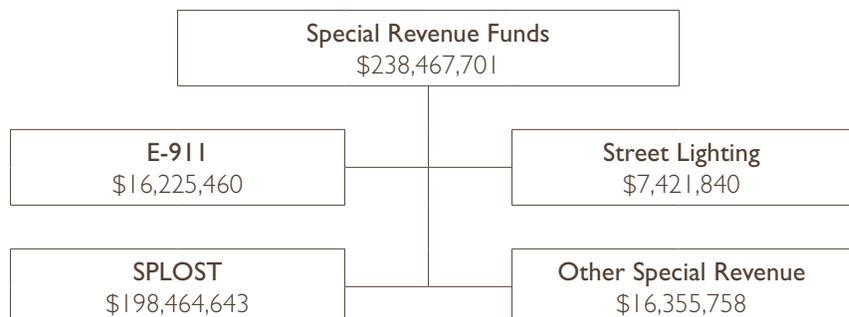
Projects supported in this fund include park improvements, social services facilities, and other county projects. For more information on capital projects, please refer to Sections V and VI of this document.

Vehicle Replacement Fund

This capital project fund, which is primarily supported by contributions from the operating funds, is budgeted at \$9.9 million in 2013. Departments contribute to fund the replacement of vehicles that have surpassed their useful life.

Special Revenue Funds

Special Revenue Funds account for funds that are restricted to a specific purpose by state law or local ordinance. Some of these funds have continuing obligations, such as personnel, while others account for one-time purchases.



E-911 Fund

This fund accounts for operations of the E-911 Communications Center. Revenues are primarily received from monthly subscriber fees remitted by wired and wireless telecommunication providers.

In 2013 expenditures of the E-911 Fund are expected to total \$16.2 million, a decrease of \$0.5 million over the 2012 actual level of \$16.7 million. Included in the 2013 budget is a \$2.5 million estimated appropriation to reimburse cities for emergency 911 costs incurred, in accordance with an intergovernmental agreement that resulted from the service delivery strategy negotiated settlement in early 2012. The cities are paid an estimated amount on or before May and submit documentation of actual costs incurred on a quarterly basis, with an annual reconciliation.

In 2013 revenues of the E-911 Fund are expected to total \$14.1 million, an increase of \$2.6 million or 23 percent over the 2012 level, primarily due to a rate increase effective in 2013.

The 2013 rates are as follows: Wire line \$1.30, Wireless \$1.00, Voice Over Internet Protocol \$1.30, and Prepaid \$0.75.

Fund balance reserves remain above the three-month policy level.

Special Purpose Local Option Sales Tax (SPLOST) Programs

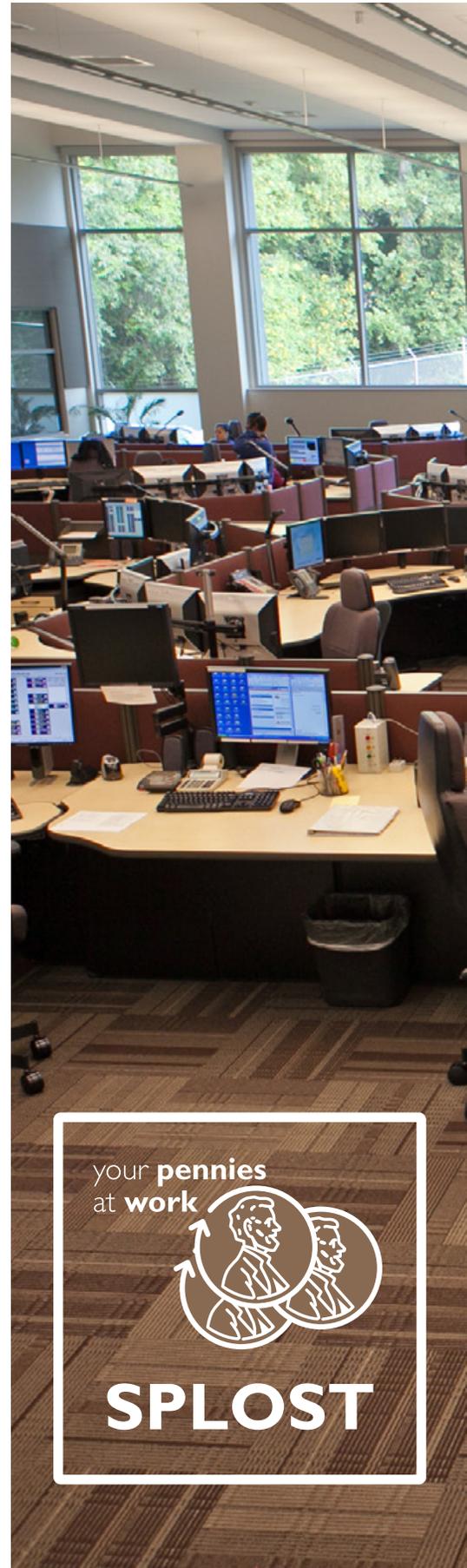
Gwinnett County has used the SPLOST as a primary source of revenue for capital projects since it became an option for counties in 1985. SPLOST law has changed over the years impacting allowable purposes, allowable length of SPLOST programs, distribution of proceeds, and ballot language among other things. Throughout all of these changes, the County has been able to adapt, and the residents have supported the use of SPLOST funding to move the County forward. SPLOST funding was used to build the current Gwinnett Justice and Administration Center, numerous road improvement projects, fire stations, police precincts, new parks, libraries, and other various capital infrastructure improvements. The passage of SPLOST programs has had a profound impact on county operations by shifting the burden of funding these projects from property taxes.

2005 SPLOST Fund

On November 2, 2004, the voters of Gwinnett County approved a four-year extension of the SPLOST to be designated for capital improvements within the County and its municipalities. Sales tax collections for the 2005 Program were \$588.1 million. The Cities' Share Allocation was \$93.7 million. This is the first SPLOST program since the enactment of new state legislation that brought dramatic changes to the SPLOST law. The most significant change was the provision of required funding to municipalities. Previously, the SPLOST had been exclusively a county tax. In addition to the funding for the cities, funds from the 2005 SPLOST will be used for projects in the areas of libraries, parks and recreation, public safety, and transportation. The 2013 budget includes \$45.4 million in appropriations for projects.

2009 SPLOST Fund

In November 2008, the residents of Gwinnett County approved a referendum authorizing the County to extend the one-cent SPLOST for five years beginning in April 2009. Budgeted sales tax collections for the 2009 program are \$646.7 million. Collections from the sales tax designated for the County will be used solely for capital projects in the areas of parks and recreation, transportation, public safety, court facilities, and libraries. The remaining sales tax collections, approximately 17 percent of the 2009 SPLOST Program, will go to cities. The 2013 budget includes \$153.1 million in appropriations for projects.



your pennies
at work

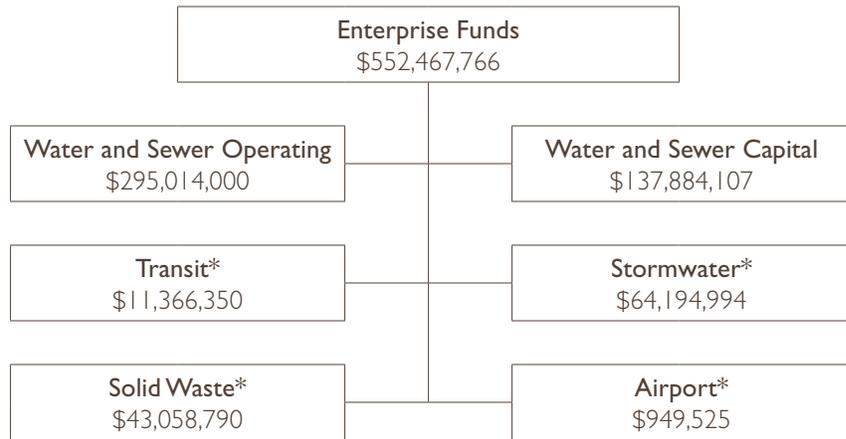


SPLOST



Enterprise Funds

Enterprise Funds are operated on a “business-like” basis using the full accrual basis of accounting. These services are supported through user fees and charges with revenues earned in excess of operations and debt service reinvested in infrastructure through a contribution to a related capital fund.



**Capital included*

The County operates five enterprise funds including water and sewer service, stormwater management, solid waste management, transit, and the Briscoe Field airport.

Water and Sewer Operating Fund

This fund supports the operation, maintenance, and capital improvement of the water and sewer system. Revenues are received from monthly usage bills, connections fees, and development charges. The Water and Sewer Operating Fund is the County’s largest operating fund within the 2013 Operating Budget.

In 2013 expenditures of the Water and Sewer Operating Fund are expected to total \$292.8 million, an increase of \$19.6 million or 7 percent, over the 2012 actual level of \$273.2 million. The majority of the increase is related to increases in the transfers to the renewal and extension fund (\$8.9 million) and debt service (\$5.0 million). General operating expenses are budgeted at \$12 million more than 2012 actual expenses primarily due to increases in professional services, chemical costs, repair, and maintenance expenses and utilities. Finally, these increases are offset by a \$7 million decrease in personnel costs which is primarily due to a \$9 million contribution to the Pension Plan in 2012 that is not budgeted for 2013.

In 2013 revenues of the Water and Sewer Operating Fund are expected to total \$295 million, an increase of \$13.3 million or 5 percent over 2012 actual revenues. Water and sewer revenues are monitored very closely to ensure that rate structures are in place to adequately fund the public utility system operations and debt service requirements. Based on these analyses, the Board of Commissioners has approved a water and sewer rate resolution that sets rates through 2015.

County financial staff use these rates to create models to help determine annual revenue projections to fund operations, capital needs, and existing and projected debt service requirements. These models then help drive the decision-making process in setting the water and sewer system’s operating budget.

Water and Sewer Capital Funds

The 2012 budget for the combined water and sewer capital funds is \$137.9 million. This reflects the total amount of all remaining prior year bond funds and renewal and extension funds. The County's Water and Sewer Capital Improvement Program (CIP) is a dynamic, forward thinking plan that attempts to balance the need to construct new infrastructure to meet the anticipated demands of a growing community, with the need to maintain and upgrade the extensive infrastructure already in place. This year's budget places emphasis on both.

The County also has several important, ongoing water and sewer maintenance projects. More detailed information regarding these projects and others can be found in Section VI. The County has issued over \$1.3 billion in water and sewer bonds since 1998. These bond proceeds have been used to help fund the F. Wayne Hill Water Resources Center, the Shoal Creek Filter Plant, the expansion of the Hill Center, the Yellow River Water Reclamation Facility, the Crooked Creek Water Reclamation Facility, and upgrades to the Patterson-Marathon Pump Station and Force Main. The Water and Sewer Renewal and Extension (R&E) Fund continues to provide the pay-as-you-go mechanism for many of the water and sewer capital improvements. Transfers from the net operational revenues of the system, over \$81 million budgeted in 2013, continue to support the Renewal and Extension fund.

Stormwater Operating Fund

This fund supports the operation, maintenance, and capital improvement of the County's stormwater system. Charges for Services are calculated based on the impervious surface of a parcel of land and are collected in the fourth quarter with property tax collections.

In 2013 expenses of the Stormwater Operating Fund are expected to total \$30.3 million, an increase of \$1.5 million or 5 percent from the 2012 actual level of \$28.7 million, primarily due to an increase in personnel costs and operating costs due to filling vacant positions.

A total of \$19.2 million or 63.4 percent of the 2013 adopted budget is appropriated for a transfer to the Stormwater Renewal and Extension Fund for funding of stormwater facility improvements.

In 2013 revenues of the Stormwater Fund are expected to total \$30.3 million, a decrease of \$0.9 million from the 2012 actual level. Beginning in FY 2006, property owners in unincorporated Gwinnett County were charged per 100 square feet of impervious surface to help defray the cost to maintain, repair, and replace stormwater infrastructure in the unincorporated areas of the County. The rate has remained at \$2.46 since FY 2009.

Local Transit Operating Fund

This fund accounts for the operation and maintenance of the Transit System. Revenues are received from fares and a contribution from the General Fund. The transit system began express bus service operations to employment centers in downtown Atlanta in November 2001 and added local bus route service a year later. The transit service has proven to be extremely popular and successful with ridership at 2,026,533 boardings in 2012. The local ridership is about 63 percent of total ridership. In response to the economic recession and the need to balance the County's operating budget with reduced revenue projections, the County reduced transit service levels and raised fares in mid 2008. Additional service reductions were made effective January 2010, and a new rate resolution became effective on January 1, 2012. The new rates are consistent with the objective that one-third of the expenses for transit be funded by users of the system.



gwinnettcounty
Department of Water Resources
Stormwater Management



In 2013 expenses of the Local Transit Operating Fund are expected to total \$7.8 million, an increase of \$0.9 million, or 13 percent above the 2012 actual level of \$6.9 million.

In 2013 revenues of the Local Transit Operating Fund are expected to total \$7.0 million. The General Fund operating subsidy is expected to total \$2.7 million.

Solid Waste Operating Fund

This fund accounts for the operations as provided in the Solid Waste Collection and Disposal Services Ordinance. Tax revenues are received from non-exclusive franchise fees paid by commercial waste haulers. Residential service fees are paid by homeowners in unincorporated Gwinnett County and reported as Charges for Services.

In 2013 expenses of the Solid Waste Operating Fund are expected to total \$41.8 million, an increase of \$1.6 million, or 4 percent above the 2012 actual level of \$40.2 million.

In 2013 revenues of the Solid Waste Operating Fund are expected to total \$43.0 million, a decrease of \$0.2 million, or 1 percent over the 2012 actual level of \$43.2 million.

Airport Operating Fund

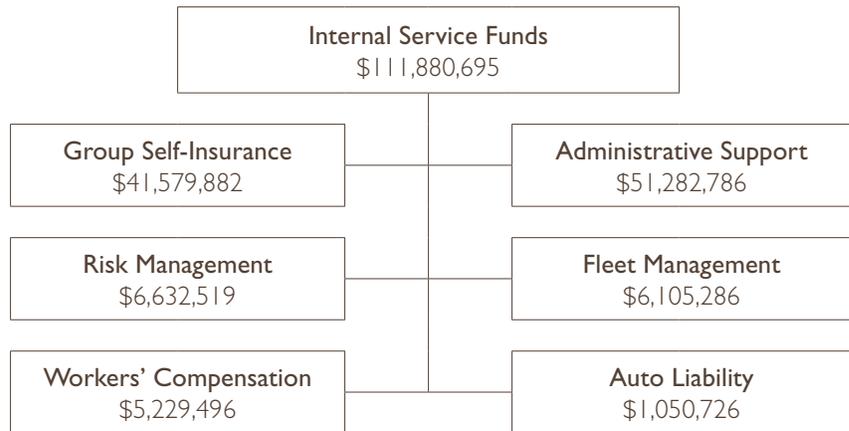
This fund accounts for the operation and maintenance of the county airport, Briscoe Field.

In 2013 expenses of the Airport Operating Fund are expected to total \$0.8 million, an increase of \$121,091, or 17 percent above the 2012 actual level of \$0.7 million.

In 2013 revenues of the Airport Operating Fund are expected to total \$0.9 million, basically the same as 2012.

Internal Service Funds

Internal Service Funds account for goods or services provided by one department or agency within the County to another. Other funds or departments pay the Internal Service Funds on a pay-as-you-go basis or an actuarial assessment of future costs. The County operates six services on an internal service basis including administrative support, health, life and disability insurance, risk management, automobile liability, workers' compensation, and fleet management.



The **Administrative Support Fund** accounts for the activities of all central support departments: Information Technology Services; Support Services; Human Resources; Law; Financial Services, with the exception of the Tax Assessor; and County Administration, with the exception of the County Clerk and Board of Commissioners. In 2013 expenditures of the Administrative Support Fund are expected to total \$49.8 million, and revenues are expected to total \$51.3 million.

The **Group Self-Insurance Fund** accounts for all financial transactions related to the payment of premiums and benefits for active employees' health, disability, and life insurance. Revenues are received from employee and employer contributions.

In light of increasing health care costs, the financial status of the Group Self-Insurance Fund remains positive.

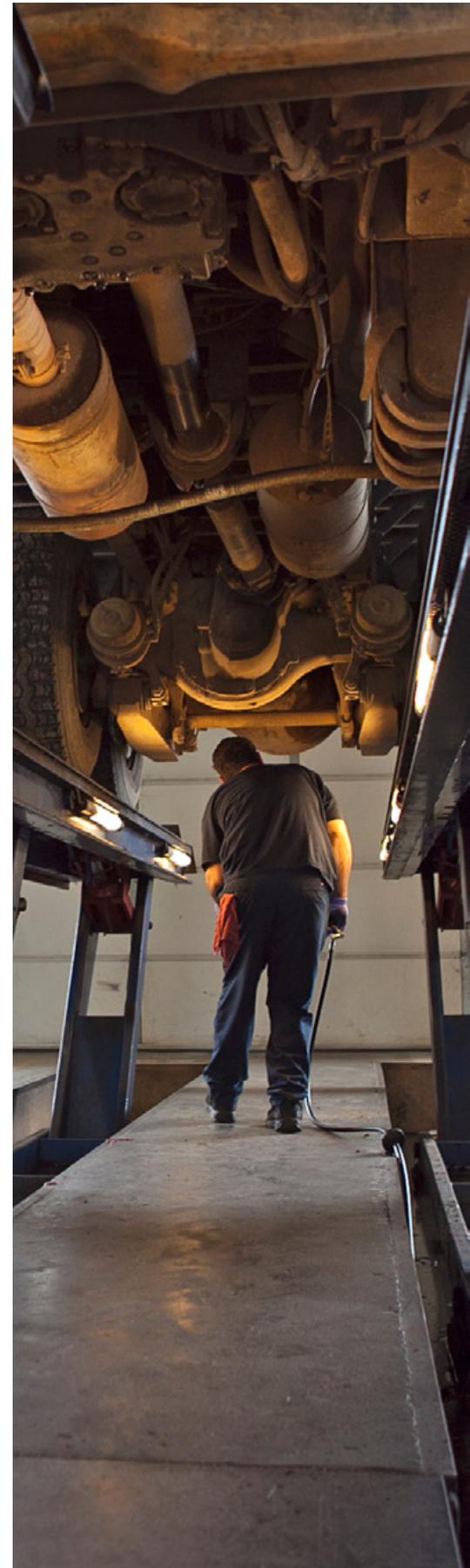
The County implemented changes in the health plan in order to balance costs between the County and participants. Future year changes in this area include continued adjustments to costs to lessen the total financial impact to the County and the enrolled employees.

In 2013 expenditures of the Group Self-Insurance Fund are expected to total \$41.6 million, and revenues are expected to total \$36.3 million.

The **Risk Management Fund** accounts for all financial transactions related to the County's property liability and casualty insurance. Revenues are received from charges to the user departments based on the number of employees, prior claims, and property liability coverage needs. In 2013 expenditures of the Risk Management Fund are expected to total \$6.6 million, and revenues are expected to total \$4.4 million.

The **Workers' Compensation Fund** accounts for financial transactions related to the payment of workers' compensation claims. Revenue is received from the user departments based upon the number of employees and prior claims. In 2013 expenditures of the Workers' Compensation Fund are expected to total \$5.2 million, and revenues are expected to total \$3.4 million.

The **Fleet Management Fund** accounts for all financial transactions related to the maintenance of the County fleet. In 2013 expenditures of the Fleet Management Fund are expected to total \$5.8 million, and revenues are expected to total \$6.1 million.





Debt Summary

Due to its rapid growth, the County has used long-term general obligation and revenue bonds to fund the expansion of major capital facilities and infrastructure. In issuing debt, the County meets all state laws and requirements and follows a number of budgetary and fiscal policies to ensure the preservation of a sound financial position and favorable credit rating.

The County protects its financial position and provides the best services to its residents for the least cost through effective internal controls and prudent accounting, budgeting, and planning procedures. An independent audit firm performs annual audits and reviews the standardized financial statements prepared by the County that are distributed for public and bond rating use. An excellent credit rating from Moody's, Standard & Poor's, and Fitch Ratings aids in the successful marketing of the bonds to the investment community. Taxpayer money is saved by obtaining the lowest possible interest rates at the time of sale and elimination of the need to purchase municipal bond insurance for credit enhancement.

The County achieved an upgrade in its bond rating from Aa1/AA+/AA+ to the highest quality Aaa/AAA/AAA in June 1997 by the three primary rating agencies. Gwinnett is one of approximately 39 counties in the United States with this prestigious rating. For approximately 16 years, each of the three rating agencies have consistently reported Gwinnett County's debt position as manageable, citing the County's emphasis on pay-as-you go funding and low levels of tax-supported debt.

Major capital projects are traditionally funded through the issuance of long-term debt and pay-as-you-go methods. The capital needs are identified and addressed in the capital budgeting process. This process assesses the purpose, size, and timing of borrowing needs. There are also other factors considered such as the budget impact of ongoing support of capital improvements, legal constraints on capacity, other financing alternatives, the urgency of needs, the cost of delay, the willingness of the community to pay, current interest rates, market conditions, and availability of other monies to fund the projects. The County has issued both general obligation and revenue debt to fund capital needs. The County has also used pay-as-you-go methods for capital improvements since 1985. None of the \$1.4 billion **2013 – 2018 Capital Improvement Program** is funded by debt.

Pay-as-you-go funding of capital improvements include contributions from several of the County's tax funds (General, Recreation, Fire and EMS District, and Police Services District Funds) into Capital Funds. In 2013 the County will contribute less than 1 percent of general fund revenues and 1.4 percent of recreation fund revenues to the capital program.

The voter-approved Special Purpose Local Option Sales Tax (SPLOST) is another pay-as-you-go method that works well for Gwinnett due to the large volume of retail sales generated in the County. Since 1985, the County has used SPLOST revenues to fund capital needs including a new justice and administration center, libraries, public safety facilities, and major expansion of the road system. SPLOST revenues have also funded the construction of public safety and parks and recreation facilities. More than \$2.5 billion has been collected since 1985 for capital improvements across the County.

Types of Debt

The issuance of General Obligation (G.O.) Bonds is a method of raising revenues for long-term capital financing that distributes the cost over the life of the improvement so that future users help repay the cost. By state law, G.O. Bonds require the approval of the voters. Before G.O. debt is proposed, a public survey is usually performed to determine what residents want and are willing to finance. Once approved, G.O. bonds are direct obligations that are backed by the full faith and credit of the County.

The 2003 G.O. Bonds provided funding of an expansion of the County's Pre-Trial Detention Center. In 2012 the County refunded the portion of those bonds maturing in 2014 through 2019. The result of that refunding was a net present value savings of \$2.2 million. The 2012 Refunding G.O. Bonds have a final maturity date of 2019. These G.O. Bonds were rated AAA by all three rating agencies.

Additionally, in January 2013 the County redeemed the remaining 2003 G.O. Bonds maturing in 2020 through 2023. The result of that redemption was a net present value savings of \$4.4 million.

The County has established a Debt Service Fund to account for revenues generated by the G.O. Bond tax rate levied against real and personal property. The funds raised through this tax levy are used exclusively for the retirement of the County's G.O. debt.

The constitutional debt limit for G.O. Bonds for Georgia counties is 10 percent of the assessed value of taxable property within the County. The statutory debt limit as of December 31, 2012 for Gwinnett County was \$2,387,141,000, providing a debt margin of \$2,369,649,000 (unaudited). The County currently uses less than 1 percent of the debt limit. At December 31, 2012, there was a total par amount outstanding of \$46,385,000 in G.O. Bonds.

The following table reflects the County's total outstanding amounts of General Obligation Debt as of December 31, 2012 (in thousands):

Year	Principal	Interest	Total
2013	\$ 3,510	\$ 1,443	\$ 4,953
2014	3,410	1,576	4,986
2015	3,480	1,471	4,951
2016	3,690	1,311	5,001
2017	3,865	1,208	5,073
2018 – 2022	22,980	3,581	26,561
2023 – 2027	5,450	109	5,559
Total	\$ 46,385	\$ 10,699	\$ 57,084

In addition to G.O. bonds, the County issues revenue debt to fund some of its capital needs through a lease agreement between the County and the applicable authority. The County pledges income derived from the acquired or constructed assets to pay debt services.





The information in the following table reveals the outstanding debt service amounts for the Water and Sewerage Authority as of December 31, 2012 (unaudited):

**Outstanding Principal by Issue
Combined Water and Sewerage Authority Revenue Bonds**

\$2,000,000	Series 2002	Issued 5/1/02
\$20,240,000	Series 2003B	Issued 6/5/03 (partially refunded 7/1/11)
\$233,200,000	Series 2005	Issued 3/17/05
\$118,985,000	Series 2006	Issued 3/9/06
\$190,000,000	Series 2008	Issued 8/21/08
\$241,475,000	Series 2009	Issued 10/22/09
\$163,615,000	Series 2011	Issued 7/1/11

(Dollars in thousands)

Year	Principal	Interest	Total
2013	\$ 57,035	\$ 40,281	\$ 97,316
2014	58,955	38,065	97,020
2015	61,050	35,641	96,691
2016	63,725	33,082	96,807
2017	66,270	30,431	96,701
2018 – 2022	297,740	111,338	409,078
2023 – 2027	262,680	44,137	306,817
2028 – 2029	54,810	3,746	58,556
Total	\$ 922,265	\$ 336,721	\$ 1,258,986

Bond covenants require that certain debt coverage be maintained to ensure the re-payment of the bonds and the continued financial stability of the enterprise. Such is the case with the County's Water and Sewerage bonds. The County has historically maintained coverage ratios in excess of covenants agreed upon in the bond documents.

The County reviews and maintains Water and Sewerage System rates to maintain positive revenue balances while meeting future debt requirements for water and wastewater capital needs. A Water and Sewer Rate Resolution approved in March 2009 increased water and sewer rates over a period of six years beginning in January 2010. Over the six-year time period, the average monthly water and sewer residential bill (based on 6,000 gallons used per month, for a typical residential household) will increase slightly more than 26 percent, from \$69.44 in 2010 to \$94.22 in 2015.

These rate increases will help to offset the debt service cost of existing Water and Sewerage Authority revenue bonds. If favorable market conditions exist, the Water and Sewerage Authority may refund outstanding bonds for debt service savings.

In addition, the County has received a \$54 million loan from the Georgia Environmental Facilities Authority (GEFA) for improvements and construction of the No Business Creek Pump Station and Tunnel. Repayment began in 2011.

Other outstanding debt amounts as of December 31, 2012 are as follows (unaudited):

Georgia Environmental Facilities Authority Loan Series 2008, 2010, 2011, and 2012

(Dollars in thousands)

Year	Principal	Interest	Total
2013	\$ 2,403	\$ 1,549	\$ 3,952
2014	2,476	1,477	3,953
2015	2,551	1,401	3,952
2016	2,629	1,324	3,953
2017	2,709	1,243	3,952
2018 – 2022	14,831	4,931	19,762
2023 – 2027	17,228	2,534	19,762
2028 – 2032	7,923	328	8,251
Total	\$ 52,750	\$ 14,787	\$ 67,537

The total annual requirements on all outstanding debt as of December 31, 2012, including interest, are as follows (unaudited):

(Dollars in thousands)

Year	GO	W&S	Other	Total
2013	\$ 4,953	\$ 97,316	\$ 3,952	\$ 106,221
2014	4,986	97,020	3,953	105,959
2015	4,951	96,691	3,952	105,594
2016	5,001	96,807	3,953	105,761
2017	5,073	96,701	3,952	105,726
2018 – 2022	26,561	409,078	19,762	455,401
2023 – 2027	5,559	306,817	19,762	332,138
2028 – 2031		58,556	8,251	66,807
Total	\$ 57,084	\$ 1,258,986	\$ 67,537	\$ 1,383,607

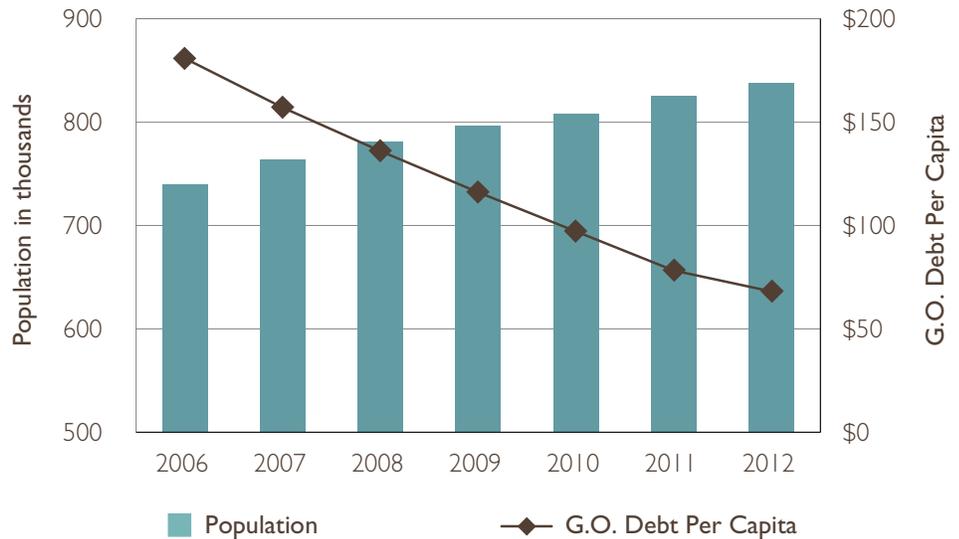
The total annual debt requirement for 2013 is 9.6 percent of the total operating budget of \$1.105 billion, resulting in total operating appropriations less annual debt of \$999.2 million.

Debt per capita is based on total annual G.O. Bond debt service payments as compared to estimated county population. Total annual debt requirement for fiscal year 2013 (all debt categories) is approximately \$106 million. Currently, estimated debt service per capita averages nearly \$70 per person. This number has steadily declined over the last few years as the County did not issue new debt in 2010, 2011, or 2012 and has focused on paying off its debt. Specifically, in 2010 the County paid off its Recreation Authority Refunding Bonds and its 1994 Water and Sewer Refunding Bonds. In 2010 the County also restructured its 2001 Development Authority Bonds for debt service savings. In 2011 the 2002 General Obligation Refunding Bonds were also paid in full. In 2012 the County paid off its 2002 Water and Sewer Bonds and refunded a portion of the 2003 G.O. Bonds.





General Obligation (G.O.) Debt Service Per Capita



As the graph illustrates, annual G.O. debt obligations have declined over the years as the population has grown and the County continues to pay off its debt. The reduction in G.O. debt obligations is due in part to voter willingness to fund capital projects through the use of SPLOST program dollars. In addition, the County actively seeks refunding opportunities of existing debt obligations to reduce debt service costs. The County has refunded bonds each year since 2010, which has resulted in shortened maturity dates and significant debt service savings.

Conclusion

The 2013 budget keeps infrastructure and core services as the County's priority. The continued emphasis on public safety, criminal justice, roads, and water and sewer services demonstrate the County's commitment to keeping Gwinnett County a preferred place to live, work, and play.

Detailed information on all facets of the budget can be found within this document. The two sections of the document titled **Operating Funds** and **Capital Funds** quantitatively reflect each operating and capital fund within the budget. There is more detailed information on departments within the **Departmental Information** section. The **Capital Funds** section includes the capital fund summaries, which list all capital projects by fund for each year of the six-year capital program. There is more detail on major capital projects in the **Capital Programs** section.

We are committed to Gwinnett County's mission, vision, and values as we address future challenges. The collaboration of residents, the Board of Commissioners, and county staff is invaluable to the formulation of a functional, fiscally sound, and balanced budget. We invite Gwinnett County's stakeholders to participate in setting our government's priorities and shaping our bright future.